

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
WINDOW ROCK AREA OFFICE
WINDOW ROCK, ARIZONA

Permit No. 56

MINING PERMIT--NAVAJO TRIBAL LANDS

Pursuant to authority granted by the Advisory Committee of the Navajo Tribal Council by Resolution No. ACS-80-51 dated September 19, 1951, as amended by Resolution ACF-4-52 dated February 12, 1952 and ACM-5-52 dated March 11, 1952, permission is hereby granted to:

Cato Sells

Census No. 30998, a Navajo Indian, of Farmington,
New Mexico, to prospect for, mine and remove minerals
from tribal lands of the Navajo Indian Reservation, in the County of
Apache, State of Arizona,
County of San Juan State of New Mexico
and described as follows:

See legal description attached.

#1 = 130. #4 = 160.
#2 = 180
#3 = 20.66 #6 = 20.6
#5 = 73.8 #7 = 17.
#8 = 22.5 197.6 Relinquished
#9 = 19.31
446.27 Total acres in Force

for the full term of two years from date of approval hereof, for the sole purpose of prospecting for and mining of minerals as follows:

Uranium bearing ores.

The Permittee to occupy so much of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, storing, and removing such minerals, and to construct such access roads as are necessary, in proper development of the property.

PROVIDED, however, that any Navajo who conducts development operations under a permit may at his option apply for a lease before the expiration of the two year period, or at the expiration of the two year period he may apply for an extension of his permit for an additional two year term, and the Advisory Committee may approve any such application if in its opinion the applicant has worked and is continuing to work in good faith in the development of the mining operation.

1. In consideration of the foregoing, the Permittee hereby agrees:

- (a) Royalties: The royalties payable to the Navajo Tribe on all permits and leases issued under the provisions hereof shall be as follows:

Percentage Royalty Schedule

<u>Mine Value Per Dry Ton</u>	<u>Royalty Percentage of Mine Value Per Dry Ton</u>
\$ 0.01 to \$ 10.01	10%
\$ 10.01 to \$ 20.01	11%
\$ 20.01 to \$ 30.01	12%
\$ 30.01 to \$ 40.01	13%
\$ 40.01 to \$ 50.01	14%
\$ 50.01 to \$ 60.01	15%
\$ 60.01 to \$ 70.01	16%
\$ 70.01 to \$ 80.01	17%
\$ 80.01 to \$ 90.01	18%
\$ 90.01 to \$100.01	19%
\$100.01 or more.	20%

"MINE VALUE PER DRY TON", wherever used herein is hereby defined as the dollar value per dry ton of crude ores at the mine as paid for by the Atomic Energy Commission or other government authorized agency before allowance for transportation and development; however, if the government at any time hereafter does not establish and pay for said ores on a fixed or scheduled dollar value per dry ton of crude ores at the mine, or said ores contain saleable minerals, some, or all, of which are disposed of to a custom treatment plant or smelter for treatment and sale, then mine value per dry ton shall be the gross value per dry ton of said crude ore as paid for by the Atomic Energy Commission or other Government authorized agency mill or other buyer, less any allowances or reimbursements for the following specific items: (1) transportation of ores; (2) allowances for exploration for, or development of ores; and (3) treatment or beneficiation of ores; which specific items shall in such event be deducted from the gross sales price received from the metal content of said ores by the seller before said percentage royalty is calculated and paid. Such payments shall be made on or before the fifteenth (15th) day of the month next following receipt by Lessee of payment for said ores together with a statement of the mine value of said ores and the amount of royalty due on each lot shipped and sold.

Whenever minerals or other products are recovered which are not included in determining mine value per dry ton as defined herein there shall be paid to the Tribe for such minerals or other products, a royalty of ten (10) per cent of the gross value of such products.

BONUSES: There shall be paid, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium are from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore.

PAYMENT OF ROYALTIES: Remittances for tribal royalties are to be made payable to the Treasurer of the United States and mailed to Window Rock, Arizona, for deposit to Navajo Tribal Funds.

(b) **DILIGENCE, PREVENTION OF WASTE.** To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy; to comply with all the requirements of the

CATO SELLS MINING PERMIT NO. 56 - LAND DESCRIPTION:

(1) CATO NO. 1:

Beginning at a Monument on the Northeasterly end of Horse Trail Mesa from which the Cove Day School bears North 59° East 7700 feet;
thence South 19° East 1175 feet;
thence South 72° West 5240 feet;
thence North 13° West 1000 feet;
thence North 70° East 5110 feet; to place of beginning, containing 130 acres, more or less. The area is located in an unsurveyed portion of Apache County, Arizona, Township 27 North, Range 29 East.

(2) CATO NO. 2:

Beginning at a Monument on the Southeastern end of a Mesa on the North side of Horse Trail Canyon, from which the Cove Day School bears North 68° East 9280 feet approximately;
thence North 32° West 1560 feet to Corner No. 2 on the Northeast Corner of the Mesa;
thence North 88° West 4380 feet to Corner No. 3 on the Northwest side of the Mesa;
thence South 49° East 4430 feet to Corner No. 4 on the South side of the Mesa and on Horse Trail Canyon;
thence North 52° East 2330 feet to Corner No. 1, the place of beginning.
The Boundaries of this area follow the outcrops of the ore bearing sandstones, and enclose 180 acres, more or less. The area is located in Apache County, Arizona, in an unsurveyed portion of Township 27 North, Range 29 East.

(3) Starting at the Northwest Corner No. 1 of the proposed mining permit and the West end of the Oak Springs Water Trough which has an inscription in concrete reading January 23, 1935. The 17th mile marker on the New Mexico-Arizona Boundary Line bears approximately $N.22^{\circ}$ East 2500 feet. Starting again from Corner No. 1, the Northwest Corner,
thence 20° East 1500 feet to Corner No. 2 Southwest Corner;
thence North 80° East 600 feet to Corner No. 3, the Southeast Corner;
thence North 20° West 1500 feet to Corner No. 4, the Northeast Corner;
thence South 80° West 600 feet to Corner No. 1, the Northwest Corner;
and place of beginning, containing approximately 20.1 acres in San Juan County, New Mexico.

(4) Beginning at Oak Springs Water Trough, running 600 feet East to Corner No. 1;
thence 2640 feet North to Corner No. 2;
thence East 2640 feet to Corner No. 3;
thence South 2640 feet to Corner No. 4;
thence West 2640 feet to Corner No. 1; and place of beginning, containing 160 acres, in San Juan County, New Mexico.

SUBJECT TO DISPUTES AND CORRECTED SURVEY WHEREVER NECESSARY.

Cato Sells - Mining Permit No. 56 - Land Description (continued)

COVE MESA No. 1

- (5) Corner No. 1 starts at the Triangulation Station and Corner No. 1 of the Curran Brothers and Wade Plot No. 7 Lease, from which point U. S. Mineral Monument No. 3 bears North $1^{\circ} 22' 50''$ East 33,650 feet;
thence from Corner No. 1, 3,000 feet North 60° East to Corner No. 2;
thence 4,000 feet South 20° West to Corner No. 3; which corner is the same as Corner No. 31 of Curran Brothers and Wade Plot and Lease;
thence 3,887 feet North $46^{\circ} 27'$ West to Corner No. 1, and place of beginning, from Corner No. 31 to Corner No. 1 is the Northeast Boundary Line of Curran Brothers and Wade Plot No. 7 Lease; plot containing 73.8 acres, more or less, in Apache County, Arizona, being located approximately in a common corner of unsurveyed Township 38 North, Range 28 East,
Township 37 North, Range 28 East,
Township 37 North, Range 29 East,
Township 38 North, Range 29 East.

(6) Saytah:

Starting at Corner No. 1, the Northeast Corner, from which point U. S. Mineral Monument No. 1 bears North $33^{\circ} 02' 44''$ East 8,733.98 feet;
thence from Corner No. 1 South $5^{\circ} 11'$ West 280 feet to Corner No. 2;
thence South 27° 863.33 feet to Corner No. 3, the Southeast Corner;
thence North $84^{\circ} 49'$ West 646.28 feet to Corner No. 4; the Southwest Corner;
thence North 27° East 987.87 feet to Corner No. 5;
thence North $5^{\circ} 11'$ East 516.58 feet to Corner No. 6, the Northwest Corner;
thence South $84^{\circ} 49'$ East 600 feet to place of beginning, containing 20.6 acres, more or less, in Apache County, Arizona.

(7) Saytah Extension:

Starting at Corner No. 1, the Northeast Corner, which corner is same as Corner No. 3 of Saytah Claim;
thence South 15° West 1200 feet to Corner No. 2, the Southeast corner;
thence North $84^{\circ} 49'$ West 646.28 feet to Corner No. 3, the Southwest Corner;
thence North 15° East 1200 feet to Corner No. 4, the Northwest Corner;
thence South $84^{\circ} 49'$ East 646.28 feet, to place of beginning, containing 17 acres, more or less, in Apache County, Arizona.

- (8) Beginning at a point 121 feet due South of where the Red Rock - Beclabito Road crosses the New Mexico-Arizona State Boundaries, which point is between the 16th and 17th mile markers and which is approximately 3500 feet due South of the 16th mile marker;
thence from point of beginning or Corner No. 1, the Northeast Corner, 1800 feet North 65° West to Corner No. 2, the Northwest Corner;
thence 600 feet due South to Corner No. 3, the Southwest Corner;
thence 1800 feet South 65° East to Corner No. 4, the Southeast Corner;
thence due North following the New Mexico-Arizona State Boundaries 600 feet to Corner No. 1, and place of beginning, containing 25.1 acres, in Apache County, Arizona, and is located approximately in Section 2, Township 38 North, Range 31 East, unsurveyed.

SUBJECT TO DISPUTES AND CORRECTED SURVEY WHEREVER NECESSARY.

Cato Sells - Mining Permit No. 56 - Land Description (continued):

- (9) Beginning at a point 121 feet due South where the Red Rock - Beclabito Road crosses the New Mexico - Arizona State Boundaries which point is between the 16th and 17th Mile Post and which is approximately 3,500 feet due South of the 16th Mile Marker;
thence from point of beginning Corner No. 1 the Northwest Corner 1500 feet South 69° East to Corner No. 2; the Northeast Corner;
thence 600 feet due South to Corner No. 3, the Southeast Corner;
thence North 69° West 1500 feet to Corner No. 4, the Southwest Corner;
thence 600 feet due North following the Arizona - New Mexico Boundary Line to Corner Number 1, and place of beginning, containing 20.6 acres, in San Juan County, New Mexico, in unsurveyed Township 29 North, Range 21 West, in approximate Section 2 and 3.

SUBJECT TO DISPUTES AND CORRECTED SURVEY WHEREVER NECESSARY.

laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this permit to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; all buildings and improvements shall remain the property of the permittee and may be removed at any time prior to 60 days after the termination of the permit by forfeiture or otherwise, provided, the payments agreed upon by this permit have been made and the permit terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under permittee's control, nor allow intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this permit.

(c) DEVELOPMENT. The land described herein shall not be held by the permittee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the permittee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the permittee, shall be held as a want of compliance with the purposes of this permit and shall render it subject to revocation at the discretion of the Area Director; provided, that whenever the Area Director shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable. On mining permits operated exclusively by Navajos there shall be expended by the permittee the equivalent of \$5.00 per acre per year in actual mining development. Such development shall consist of road building, prospecting or drilling and mining operations. Where assignments or other agreements are made to non-Indians the development requirement shall be \$10.00 per acre per year. Certified reports shall be submitted to the Window Rock Area Office regarding development expenditures within ten days after the yearly anniversary date of the contracts.

(d) MONTHLY STATEMENTS. To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Area Director sworn monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty shall be a lien on all implements, tools, removable machinery, and all other personal chattels used in operations upon said property, and upon all of the unsold minerals obtained from the land herein, as security for payment of said sums.

(e) REGULATIONS. To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such permits; provided, that no regulations hereafter approved shall effect a change in rate of royalty, or the term of this permit, without written consent of the parties of this permit.

(f) ASSIGNMENT OF PERMIT. Not to assign this permit or any interest therein by an operating agreement or otherwise nor to sublet any portion of the premises without approval of the Advisory Committee and the Secretary of the Interior, or his authorized representative.

OVER-RIDING ROYALTIES: Subject to approval provided for in section (f) of this permit, assignments, operating agreements, and sub-contracts may, in addition to other considerations, provide for the retention by and payment to the assignor in an assignment, or the grantor in a sub-contract or operating agreement, or a royalty on all ore produced and sold from the premises (commonly known as an over-riding royalty) of not to exceed the following percentage based on the mine value per dry ton of ore as defined on pages one and two of this permit, to-wit:

1. On ore having a mine value per dry ton of \$30.00 or less, 2% of the mine value per dry ton.
2. On ore having a mine value per dry ton of more than \$30.00 and not more than \$60.00, 3% of the mine value per dry ton.
3. On ore having a mine value per dry ton of more than \$60.00 and not more than \$80.00, 4% of the mine value per dry ton.
4. On ore having a mine value per dry ton of more than \$80.00, 5% of the mine value per dry ton.

If two or more parties are the assignors or grantors, the royalty may be divided on such basis as said assignors or grantors may agree upon; provided, however, that the Advisory Committee of the Navajo Tribal Council may at any time after five (5) years from the date of the first sale of uranium ore produced from said property (as evidenced by records of the processing mill or other buyer) reduce the percentage of royalty retained by the assignor or grantor or entirely eliminate the same if the Advisory Committee shall determine that such royalty payments so retained are so burdensome as to make the future operation of the mines on said lease impracticable or unprofitable, it being the intent hereof that the Advisory Committee shall at such time take such action as will serve the best interest of the Navajo Tribe in assuring the continuous operation of the uranium mining industry on the Navajo Reservation.

(g) **RENTAL.** Where permits or leases are assigned or interests are otherwise acquired by non-Indians an advance annual rental of \$1.00 per acre is required and no credit shall be allowed therefor on any future production royalties.

(h) **BOND:** All non-Indian contracts shall require a surety bond to insure performance of the terms of the contract. The amount of bond to conform to Departmental Mining Regulations.

2. **INSPECTION.** The permitted premises and producing operations, improvements, machinery and fixtures thereon and connected therewith shall be open at all times for inspection by the Area Director or his authorized representative.

3. **SURRENDER AND TERMINATION.** The permittee shall have the right at any time during the term hereof to surrender and terminate this permit or any part thereof upon the payment of all royalties due the Navajo Tribe, and any other obligations that may be due the Navajo Tribe; provided, that the permittee has complied with all instructions regarding conservation and protection of the property.

4. CANCELLATION AND FORFEITURE. When, in the opinion of the Area Director, there has been a violation of any of the terms and conditions of this permit, the Area Director shall have the right at any time after 30 days notice to the permittee, specifying the terms and conditions violated, and after a hearing, if the permittee shall so request within 30 days of receipt of notice, to declare this permit null and void, and if any royalties or other obligations are due the Navajo Tribe, to take appropriate action to see that such obligations are fulfilled.

5. MINES TRIBUTARY TO URANIUM PROCESSING MILL AT SHIPROCK, NEW MEXICO. Permittee or Lessee and any assignee of the Permittee or Lessee shall tender all uranium ores produced by them from mines tributary to the mill of the Navajo Uranium Company at Shiprock, New Mexico, to the Navajo Uranium Company for purchase at such price or prices as may be established or approved by the U. S. Atomic Energy Commission, including allowances for transportation and development work, provided, that when there has been purchased for the use of said mill or stock-pile according to the provisions of said lease, a quantity of ore sufficient to supply said mill with its normal ore requirements, the Navajo Uranium Company shall notify each permittee or lessee that the provisions of this paragraph are waived until further notice. The provisions of this paragraph shall not remain in force and effect for a period of more than five (5) years from the date of the approval by the Secretary of the Interior of the lease to the Navajo Uranium Company for the millsite at Shiprock, New Mexico.

Approval Recommended

Date July 8, 1952

Sam Ahkeah
Chairman, Navajo Tribal Council

John L. Selaw
Vice-Chairman, Navajo Tribal Council

I hereby accept the foregoing permit and agree to abide by all its terms and conditions.

Otto Lee
(Permittee)

(Permittee)

Approved: 8-6-52
(Date)

[Signature]
Acting Area Director

Resources:
Realty

File Copy

Surname

Long

Jones

Navajo Agency
Window Rock, Arizona

SEP 21 1956

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Pursuant to request contained in your letter of August 24, 1956, and the approval of the Advisory Committee on September 11, 1956, you are hereby advised that the survey descriptions of the "Upper Canyon claim" and "Lower Canyon claim" as contained in your Mining Permit No. 56 hereinafter will be described as follows:

"Upper Canyon Claim: Beginning at corner No. 1 which bears $N0^{\circ} 08'E$, 1222 ft. north of the Arizona-New Mexico State line Mile post No. 17. The said corner No. 1 also being 121 ft. south along the said State line from a point where State line intersects the Red Rock and Beclabito Road. From corner No. 1 by metes and bounds, $N65^{\circ} 00'W$, 1800 ft. to corner No. 2; $S.0^{\circ} 08'W$, 600 ft. to corner No. 3; $S65^{\circ} 00'E$, 1800 ft. to corner No. 4; $N.0^{\circ} 08'E$, 600 ft. to corner No. 1, the place of beginning. This tract as described being in Apache County, Arizona and contains 22.5 acres.

Lower Canyon Claim: Beginning at corner No. 1 which bears $N.0^{\circ} 08'E$, 1222 ft. north of the Arizona-New Mexico State line Mile post No. 17. The said corner No. 1 also being 121 ft south along the said State line from a point where State line intersects the Red Rock and Beclabito Road. From corner No. 1 by metes and bounds, $S69^{\circ} 00'E$, 1500 ft to corner No. 2; $S.0^{\circ} 08'W$, 600 ft to corner No. 3; $N69^{\circ} 00'W$, 1500 ft. to corner No. 4; $N.0^{\circ} 08'E$, 600 ft. to corner No. 1, the place of beginning. The tract as described being in San Juan County, New Mexico and contains 19.31 acres."

Copies of this letter will be forwarded to U. S. Geological Survey, Carlsbad, New Mexico, Kerr-McGee Oil Industries, Inc., Shiprock, New Mexico and the Atomic Energy Commission, Grand Junction, Colorado, for their information.

Yours very truly,

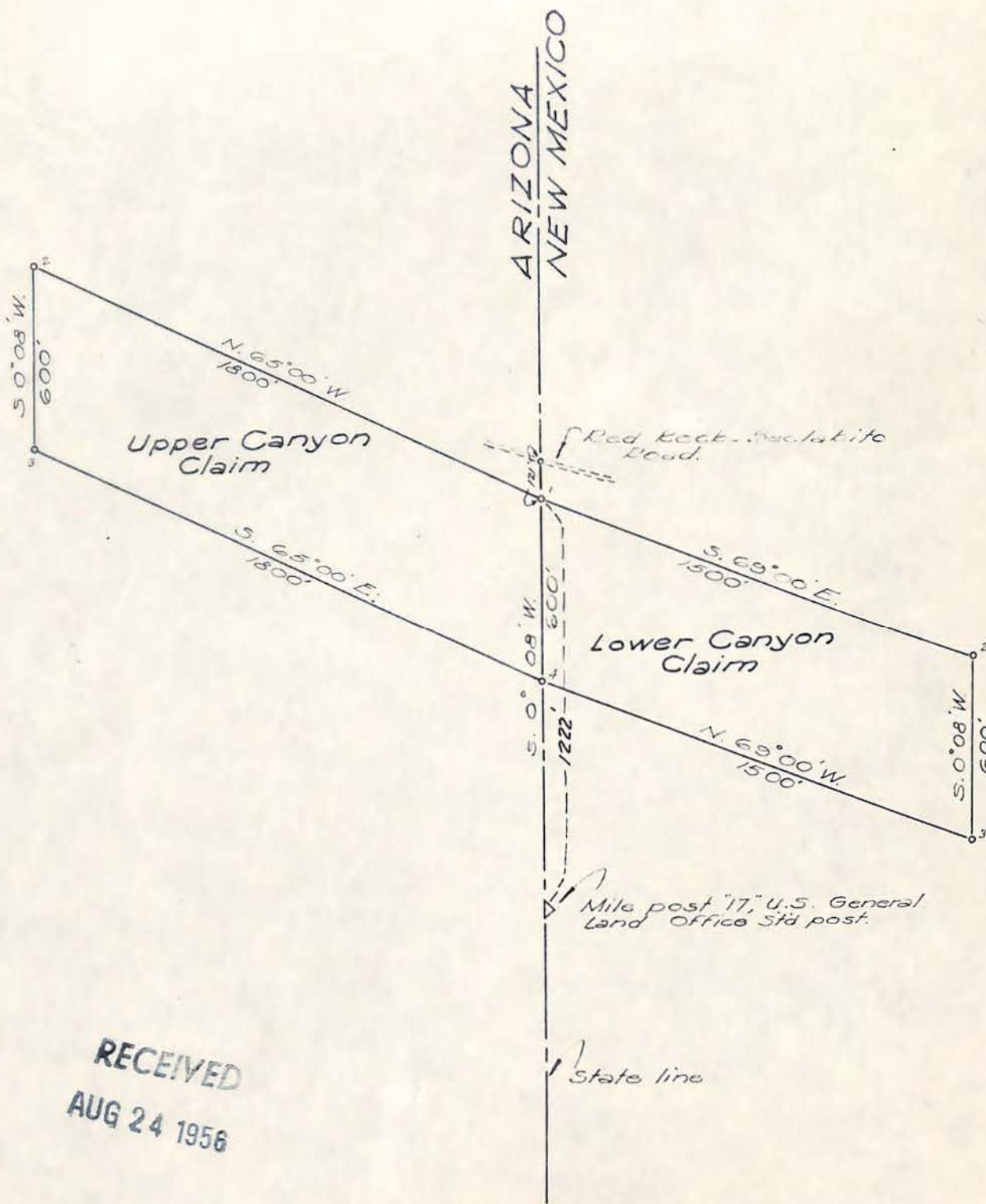
/s/ PAUL JONES

Chairman, Navajo Tribal Council

cc: Realty
USGS, Carlsbad, N.M.
Kerr-McGee, Shiprock, N.M.
A.E.C., Grand Junction, Colo.
chronol & m/f

(Sgd.) Charles E. Morelock
Acting General Superintendent

TLYNCH:ajh-9/18/56



RECEIVED
AUG 24 1956

Surveyed by: Ernest V. Echohawk
Ernest V. Echohawk
Reg. Land Surveyor
Arizona Reg. No. 2311
New Mexico Reg. No. 1545

UPPER CANYON CLAIM

Beginning at corner No. 1 which bears N. 0° 08' E., 1222' N. of the Arizona-New Mexico State line Mile post No. 17. The said corner No. 1 also being 121' South along the said State line from a point where State line intersects the Red Rock and Beclabito Road.

From corner No. 1 by metes and bounds,

N. 65° 00' W., 1800' to corner No. 2;
S. 0° 08' W., 600' to corner No. 3;
S. 65° 00' E., 1800' to corner No. 4;
N. 0° 08' E., 600' to corner No. 1,
the place of beginning.

The tract as described being in Apache County, Arizona and contains 22.5 Acres.

LOWER CANYON CLAIM

Beginning at corner No. 1 which bears N. 0° 08' E., 1222' N. of the Arizona-New Mexico State line Mile post No. 17. The said corner No. 1 also being 121' South along the said State line from a point where State line intersects the Red Rock and Beclabito Road.

From corner No. 1 by metes and bounds,

S. 69° 00' E., 1500' to corner No. 2;
S. 0° 08' W., 600' to corner No. 3;
N. 69° 00' W., 1500' to corner No. 4;
N. 0° 08' E., 600' to corner No. 1,
the place of beginning.

The tract as described being in San Juan County, N. Mex. and contains 19.31 Acres.



CATO SELLS

UPPER CANYON- LOWER
CANYON CLAIM SURVEY

APACHE CO.,
ARIZONA

APRIL, 1956
SCALE 1"=500'

SAN JUAN CO.,
NEW MEXICO

Drwg. by
EVE

NAVAJO AGENCY

Route Sheet

Correct survey of

56 of Oate Wells for
Upper and Lower Canyon
Claims

Attachments

Letter 8/24/56 by Wells
requesting correction of survey
description, Memo from
Realty, map of resurvey.

Route to

COMMENTS

Released

Initial Date

Long mda 8-24

Garard 7/28/56 OK

Long mda 8-27

Advisory Committee 9-14-56 Approved

Long mda 9-18

Vice-Chairman sp 9/21/56

Chairman sp 9/21

Acting CE m 9/21/56 mda

Originator's instructions for final disposition

Return to Realty

748 Signature

Comment & return

OK for return

142 Concurrents & surname

Originator: M. D. Long, Chief, Branch of Realty, Phone #58

Date 8-24-56



ACTION OF ADVISORY COMMITTEE

Name of Applicant Mr. Cato Sells
Address Farmington, N. Mex.
SUBJECT Application dated August 24, 1956, supplemented by map,
Information and Remarks: for correction of survey description of the Upper
Canyon claim and Lower Canyon claim as contained in Mining Permit No. 56,
to read and conform to the re-survey of these claims by a registered surveyor
in April 1956. The Upper Canyon claim now contains 25.1 acres, and the Lower
Canyon claim contains 20.6 acres, and according to the re-surveys, they will
contain 22.5 acres and 19.31 acres, respectively.

ACTION OF ADVISORY COMMITTEE

DATE

9-11-56

Recommended for approval for the following reasons
and or subject to the following conditions, by a vote of 8 for and
0 against.

Scott Preston
Chairman of Committee

REMARKS OR SUBSEQUENT ACTION:

INTER OFFICE MEMO
THE NAVAJO TRIBE

August 24, 1956

DATE

TO: Advisory Committee - The Navajo Tribe

FROM: Branch of Realty

SUBJECT: Application for Correction of Survey Descriptions of Cato Sells'
Upper and Lower Canyon Claims, as Contained in Mining Permit #56.

Mr. Cato Sells applied for a bonus from the Atomic Energy Commission on his "Upper Canyon and Lower Canyon claims" as contained in his Mining Permit #56 and upon his submission of a request to the Atomic Energy Commission for certification, he supplied a map dated April, 1956, but his application was deferred until such time that a minor error in the original survey be corrected and to read in conformity with the corrected survey as made in April, 1956, inasmuch as Mr. Sells claims that the original survey was not made by a registered surveyor and consequently, resulted in this resurvey which does not change or amend the original locations on the ground but merely provides a more definite tie to the point of beginning which is from Mile Post #17, and therefore, I believe that the request of Mr. Sells is in order. Upon approval of Mr. Sells' request, no doubt, the Atomic Energy Commission will certify these claims for bonus payments and as he stated, the bonus payments will enable him to pay off the balance of the Navajo Tribe's share of the bonus payments from the Oak Springs property.

The original description of these properties reads as follows: "Upper Canyon claim: Beginning at a point 121 feet due south of where the Red Rock - Beclabito road crosses the New Mexico-Arizona state boundaries, which point is between the 16th and 17th mile markers and which is approximately 3500 feet due south of the 16th mile marker; thence from point of beginning or corner #1, the northeast corner, 1800 feet north, 65° west to corner #3, the southwest corner; thence 1800 feet south, 65° east, to corner #4, southeast corner; thence due north following the New Mexico- Arizona state boundaries 600 feet to Corner #1, the place of beginning, containing 25.1 acres in Apache County, Arizona and is located approximately in Section 2, T. 38 N., R. 31 E., unsurveyed."

"Lower Canyon claim: Beginning at a point 121 feet due south, where the Red Rock - Beclabito road crosses the New Mexico-Arizona state boundaries which point is between the 16th and 17th mile post and which is approximately 3500 feet due south of the 16th mile marker; thence from point of beginning corner #1 the northwest corner, 1500 feet south, 69° east, to corner #2 of the northeast corner; thence 600 feet due south to corner #3 southeast corner; thence north 69° west, 1500 feet to corner #4, southwest corner; thence 600 feet due north following the Arizona-New Mexico boundary line to corner #1 and place of beginning, containing 20.6 acres in San Juan County, New Mexico in unsurveyed T. 29 N., R. 21 W., in approximate Section 2 and 3."

Thomas Lynch

Thomas Lynch, Administrative Ass't.

Advisory Committee of Navajo^{Tribe} Council,
Window Rock, Arizona.

Gammington N. May
Aug 24 1956

File Copy.
Surname

Gammington

Dear Mr. Lynch;

I would like to submit the Lower and Upper
Canyon Mines to read as it is described on my
New Survey Map. Would like to have it appear
as it appears on the enclosed map.

Sincerely yours
Cato Bell

RECEIVED
AUG 24 1956



NAVAJO AGENCY
WINDOW ROCK, ARIZONA

RECEIVED
MAY 7 - 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

HEALTH AND SAFETY ACTIVITY

DISTRICT H

7 8 9 10 11 12 1 2 3 4 5 6

BUILDING 20
FEDERAL CENTER
DENVER 2, COLORADO



MAY 5 1959
File No. 1959

Mr. Cato Sells
Post Office Box 253
Farmington, New Mexico

Dear Mr. Sells:

The enclosed copy of a health and safety inspection report on the Oak Springs Mine, Red Rock Trading Post, Apache County, Arizona by L. G. Anderson and R. C. Derray contains information as found in an inspection of this property on April 1, 1959.

Some suggested changes are offered with intent to increase the health and safety of the employees. We will appreciate receiving your comments regarding the inspection.

Very truly yours,

J. Howard Bird

J. Howard Bird
District Supervisor

Copy to: Commr. of Indian Affairs, Washington, D. C.
Area Director, Bur. of Indian Affairs, Gallup, N.M.
Supt. Navajo Service, Window Rock, Arizona ✓
Paul Jones, Chairman, Navajo Tribal Council Window Rock, Ariz.
Tribal Mining Engineer, Window Rock, Arizona
State Mine Inspector, Phoenix, Arizona
R. S. Fulton, USGS, Carlsbad, N.M.
J. D. Turner, USGS, Washington, D. C.
(1) J. Westfield (2) J. A. Johnson
Duncan Holaday, U. S. Public Health Service, Salt Lake
E. A. Morgan, Phoenix, Arizona

R4
Cato Sells M.P. 56

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

HEALTH AND SAFETY ACTIVITY

DISTRICT H



HEALTH AND SAFETY INSPECTION REPORT
OAK SPRINGS MINE (URANIUM)
CATO SELLS
NAVAJO INDIAN RESERVATION
RED ROCK TRADING POST, APACHE COUNTY, ARIZONA

April 1, 1959

By

L. G. Anderson and R. C. Derzay
Mining Health and Safety Engineers

Originating Office - Bureau of Mines
Building 20, Federal Center, Denver 25, Colorado
J. Howard Bird, District Supervisor
Health and Safety, District H

HEALTH AND SAFETY INSPECTION REPORT
OAK SPRINGS MINE URANIUM)
CATO SELLS
NAVAJO INDIAN RESERVATION
RED ROCK TRADING POST, APACHE COUNTY, ARIZONA

April 1, 1959

By

L. G. Anderson and R. C. Derzay
Mining Health and Safety Engineers

INTRODUCTION

This report is based on a health and safety inspection made in compliance with Order No. 1940, April 4, 1944, by the Secretary of the Interior, which provides for such inspections of mines on Government-leased lands on the Public Domain and on Indian Lands by the Bureau of Mines.

The purpose of this inspection and the report is to call to the attention of all concerned the hazards observed at the mine during the inspection and to recommend means of correcting these hazards.

GENERAL INFORMATION

The Oak Springs mine, operated by Cato Sells, Farmington, New Mexico, is approximately 12 miles north of Red Rock Trading Post, Apache County, Arizona. The deposit is in the comparatively flat-lying Salt Wash sandstone formation of Jurassic-Morrison age. The mine was opened by a 5-by 5-foot, single-compartment vertical shaft, 83 feet deep, and an adit through the Vanadium Corporation of America's Plot - 10 mine, which was inactive. Four miners performed all surface and underground work, single shift, 5 days a week. The mine produced about 20 tons of ore per week.

Shaft sinking operations at the mine were started January 20, 1954 by the J. & L. Mining Company. The following year the Sylvania Mining Company acquired the operation and worked the mine for about two years. The mine was idle for about a year until Cato Sells resumed operations. The workings were sinuous and totaled several hundred feet. Maps of the workings were not available.

The life expectancy of the mine is tenuous due to the small developed ore reserves and the spotty nature of the ore.

SURFACE CONDITIONS

There were no buildings at the mine other than a small frame building used for tool storage and a lunchroom about 200 feet from the shaft.

EXPLOSIVES STORAGE

Dynamite was stored in a ventilated, dry, short adit about 100 feet from the mine adit. The magazine was provided with a door and kept locked. The foreman retained the key. Danger signs were posted on the door. There was some paper scattered about in the magazine.

Caps were stored in a wooden box about 25 feet from the explosives magazine. It was kept locked.

SHAFTS AND HOISTING CONDITIONS

The shaft was timbered from the collar down about 10 feet. A welded steel ladder was provided the entire length of the shaft. There were no landings.

The shaft collar was about 80 feet higher than the adit.

The hoist was mounted on a wooden frame structure 10 feet vertically above the shaft collar. It was driven through a guarded V-belt connection with a gasoline engine; a 20-gallon gasoline supply tank was fastened to the timber structure a few feet from the engine. The hoist was equipped with a hand-and-foot-operated friction brake. The brake was capable of stopping and holding the fully loaded bucket at any point in the shaft. The brake lever was equipped with a ratchet and pin. Several loops of 5/8-inch hoisting rope were left on the drum after the rope had been extended to its maximum distance. The rope was apparently in good condition, and was attached to the drum shaft by means of a thimble and four cable clips, spaced 5 inches apart. A safety hook was used to attach the hoisting rope to the bail of the bucket. A signal bell-line was provided; in addition, calls from the shaft bottom could be easily understood as an emergency means of signaling. Railings and toeboards were provided around the elevated floor of the hoistroom and other openings. A stairway from the ground to the hoistroom was provided with a handrail. There were no fire extinguishers in or around the hoist-house or head-frame. Men were not hoisted or lowered in the shaft.

ROOF CONTROL

The back stood well and loose unsupported rock was not observed. Posts and caps were used where needed and gobbed waste was also used as roof support. The workings were generally narrow and well arched; the drifts and crosscuts were about 3- by 5-feet or 5- by 6-feet.

DRILLING AND BLASTING

The miners used pneumatic jackleg drills for all drilling. The holes were collared and drilled while using water. Compressed air was piped underground from a portable compressor on the surface. The compressor exhaust was vented a safe distance away from the air intake.

Fuses were ignited individually with a sparkler type igniter. Wooden tamping sticks were used. Unused dynamite or caps were not observed lying about.

The dynamite was transported to the working place in a rubber-tired wheelbarrow.

LOADING AND HAULAGE

Muck was hand shoveled into wheelbarrows for transportation to the bottom of the shaft, or in the case of waste, to abandoned areas for gobbing. The piles at the shaft were shoveled into the hoist bucket. When the bucket had been hoisted, a trap door in the headframe was dropped and the bucket lowered onto a small rail truck and rolled to the ore bin.

VENTILATION

Ventilation was by natural means plus compressed air from drilling operations. The working face at the time of this inspection was about 50 feet from the last crosscut. There was no perceptible movement of air in the working area. Air measurements in the main drift indicated a movement of about 2,500 cubic feet per minute. The shaft was up-cast at the time of inspection.

Booster fans and tubing or other ventilating means were not used to course the air to the men in the working areas.

DUST

The mining operations created very little visible airborne dust. The mine atmosphere was relatively humid; water was used in drilling and the muck pile was reportedly sprayed with water as it was considered necessary. The muck at the shaft bottom was damp.

RADIATION

A survey of the mine, using a Geiger-Müller counter calibrated with a cobalt 60 source, indicated gamma ray intensities to be about 0.2 milliroentgens per hour. Levels up to 2.5 milliroentgens per hour, 40 hours per week, are considered safe.

Samples for alpha emitting radon daughters and the parent radon were taken near a working face about 50 feet from the last crosscut. The first sample, taken while the miner was drilling, indicated 1.4 times working level; the second, taken 10 minutes after he had finished, indicated 7.8 times working level of the combined daughters radium A, B, C and C'.

The radon sample, taken at the time of the first daughter sample, indicated an activity of 290 micro-micro curies per liter of air. This ratio yields an equilibrium ratio of about 5 percent, daughters to radon, and indicates that the flow of air necessary to keep the daughters to a working level of one should be sufficient to provide one air change each 4 minutes.

GENERAL SAFETY CONDITIONS

First aid supplies and a stretcher were available on the surface. The employees wore hard hats and hard-toed shoes. The nearest doctor and hospital were about 42 miles away at Shiprock, New Mexico. Accident records were not kept and it was reported that no lost-time accidents had occurred during Cato Sell's operation of the mine. The nearest telephone was at the Red Rock Trading Post, 12 miles from the mine. The miners used carbide lamps underground.

RECOMMENDATIONS

Explosives Storage

1. The magazine should be kept clean of papers and other extraneous material at all times.
2. Warning signs should be posted near, but not in direct line with, the magazine.

Shaft and Hoisting Conditions

1. A suitable fire extinguisher should be provided in the hoist house for ready use in case of fire and fire-fighting equipment commensurate with the value of the shaft structure and its contents should be provided.
2. The 20-gallon tank fastened to the wooden hoist structure over the shaft should be moved a safe distance from the shaft to minimize its hazard to the men working underground in case of fire.
3. Landings should be provided at regular intervals for the manway in the shaft.

Ventilation

A booster fan should be installed in the main air course and air coursed through vent tubing to within 30 feet of the working area.

ACKNOWLEDGMENT

The cooperation of the employees during the inspection is gratefully acknowledged.

Respectfully submitted,

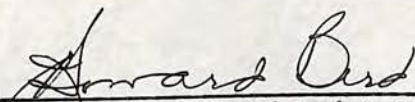
/s/ R. C. Derzay

R. C. Derzay
Mining Health and Safety Engineer

/s/ L. G. Anderson

L. G. Anderson
Mining Health and Safety Engineer

Approved:


Howard Bird, District Supervisor

INTER OFFICE MEMO
THE NAVAJO TRIBE

4/24/59
DATE

TO: Marvin Long
SUBJECT: Safety inspection reports on M.P. Nos. 56 & 66
FROM: C.V. Collins

The attached letter is self-explanatory as to violations on MP 56.

I had the powder removed from the incline & placed in a locked magazine on MP 66. Also I requested that they change the water on their diesel exhaust scrubbers more often to remove the carbon particles from the exhaust gases.

C.V. Collins

SURNAME

Lynd

Tribal Mining Department

April 3, 1959

Branch of Realty, Navajo Agency

Safety Inspection Reports on Tribal Mining Permit Nos. 56 and 66

By letter dated March 23, 1959, the U. S. Geological Survey, for safety purposes, advised Cato Sells of certain mining practices not followed at his Oak Springs mine and that a means of correcting the unsafe condition recommended should be followed.

Also on March 30, 1959, the Survey advised Capitol Seaboard Corporation of similar conditions existing at the Taylor Reid mine on Mining Permit No. 66 that should be corrected in accordance with recommendations cited.

Copies of these letters, according to our copies of said letters, have been furnished your office.

This office would like for its files on these permits, a report to reflect that the unsafe conditions noted by the Survey have been corrected and that no hazard exists.

/s/ M. D. Long

M. D. Long
Agency Realty Officer

cc: Realty - 56 and 66
Chrono
M&F

TL/cm

NAVAJO AGENCY
WINDOW ROCK, ARIZONA
RECEIVED
APR 3 - 1959
A.M. 7 8 9 10 11 12 1 2 3 4 5 6 P.M.

1. *KWD*
Resumes
2. *Restly*
Janablon

901 N. Buena Vista
P. O. Box 253
Farmington, New Mexico
March 31, 1959

Mr. Howard S. Nickelson
Mining Engineer
U. S. Dept. of the Interior
Geological Survey
P. O. Box 829
Carlsbad, New Mexico

Dear Mr. Nickelson:

This is in reference to your letter of March 23, 1959. Mr. Nickelson, you must have taken things for granted. The boxes that you mentioned are empty boxes and have been there for over a year. To my knowledge there is no state or federal regulation that prohibits the storage of empty boxes.

Mr. Nickelson, we would be glad to show you our magazine, the next time you are at the mine, where we keep your explosives.

Hoping that this letter will settle the situation, I remain

Very truly yours,

Cato Sells

Cato Sells

CS:val

Orig. to: Mr. Howard S. Nickelson, Carlsbad, New Mexico
cc: Supt. Navajo Agency
: Navajo Tribal Mining Engineer
: Arizona State Mine Inspector
: Files



901 N. Buena Vista
P. O. Box 253
Farmington, New Mexico
March 31, 1959

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Very truly yours,

Cato Bells

Cato Bells

CS:vm1

Orig. to: Mr. Howard B. Nickelson, Carlsbad, New Mexico
cc: Supt. Navajo Agency
: Navajo Tribal Mining Engineer
: Arizona State Mine Inspector
: Files



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 829
Carlsbad, New Mexico

7m84
IN REPLY REFER TO:

NAVAJO AGENCY
WINDOW ROCK, ARIZONA

RECEIVED

MAR 24 1959

AM PM
7 8 9 10 11 12 1 2 3 4 5 6

March 23, 1959

Mr. Cato Sells
Box 253
Farmington, New Mexico

Dear Mr. Sells:

On March 11, 1959, I inspected your mine at Oak Springs, Navajo permit No. 56. At that time, I found approximately 20 boxes of powder stored just inside the VCA Plot 10 portal. Federal and State mining regulation prohibit the storing of powder in excess of that used within 24 hours in the mine.

Please remove any stored powder from the mine to a suitable magazine a safe distance from the workings or any habitations. If a suitable powder magazine is not available one should be provided.

Yours truly,

Howard B. Nickelson

Howard B. Nickelson
Mining Engineer

HBN:nb

Orig. to: Mr. Cato Sells, Farmington, New Mexico
cc: Supt. Navajo Agency
: Navajo Tribal Mining Engineer
: Arizona State Mine Inspector
: Files





IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 829
Carlsbad, New Mexico
March 23, 1959

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MINE INSPECTION REPORT
OAK SPRINGS MINE
Navajo Reservation
APACHE COUNTY, ARIZONA

CATO SELLS
URANIUM PERMIT #56

by
Howard B. Nickelson
Mining Engineer

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION - MINING BRANCH

On March 11, 1959, I examined the Oak Springs mine in Apache County, Arizona, about 12 miles north of Red Rock Trading Post. The mine is operated by Mr. Cato Sells who holds uranium permit No. 56.

Since the last inspection on October 10, 1958, Mr. Sells has been mining from the main mine. This mine is developed through a shallow vertical shaft with the workings holing the old working of VCA Plot 10 mine. Air courses through the VCA working into the mine and up the shaft. Two working places were operating 100 to 200 feet from the main air course. The present production is being found by following thin seams and lenses of ore off the walls of the old stopes and by drilling long holes in the stope walls. Waste is stored in abandoned stopes, coarser material is riprapped to keep the passage ways open. The ore is transported by wheelbarrow to the shaft where it is dumped in a pile and hand mucked into a bucket to be hoisted to a surface bin.

No perceptible currents of air were noted in either working place. The lack of sufficient ventilation in the working areas suggests that the radon daughter concentration will probably exceed the limit established by Health and Safety Bureau.

Approximately 20 boxes of powder were stored in by the VCA Plot #10 portal. Powder should be stored in a suitable magazine and not in the portal of the mine entrance.

Mr. Sell employs four Indian miners.

Howard B. Nickelson

Howard B. Nickelson
Mining Engineer

Orig. to: Supt., Navajo Agency
cc: Comm., Office of Indian Affairs
: Navajo Tribal Mining Engineer
: Chief, Mining Branch
: Files



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 829
Carlsbad, New Mexico
October 29, 1958

MINE INSPECTION REPORT
OAK SPRINGS MINE
NAVAJO RESERVATION
APACHE COUNTY, ARIZONA

CATO SELLS
URANIUM PERMIT #56

by
Howard B. Nickelson
Mining Engineer

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION - MINING BRANCH

On October 10, 1958, accompanied by Mr. Cato Sells, mine operator, and Mr. Fred Jensen, Arizona Deputy Mine Inspector, I examined the Oak Springs Mine in Apache County, Arizona, about 12 miles north of Red Rock Trading Post. The mine is operated by Mr. Cato Sells who holds uranium permit No. 56.

Since the last inspection on May 8, 1958, Mr. Sells has discontinued mining from the incline north of the old workings and at the present time he is mining from the old workings. Ore is being found by drilling test holes in the walls of the old workings and probing the holes with a counter. Several small lenses of ore have been found by this prospecting. The ore is hauled to the shaft by wheelbarrow and hoisted to the surface. Ventilation is adequate in the working areas. The air circulates from the shaft through the workings into the old VCA Plot 10 mine and out the VCA portal. Ground conditions appear to be good. Mr. Sells employs 5 men. One shift per day. Production from April, 1958 through September, 1958 has amounted to 552 tons. A shipment of 132 tons in August was below 0.10% U_3O_8 , no payment was made for this shipment.

H. B. Nickelson

H. B. Nickelson
Mining Engineer

Orig. to: Supt., Navajo Agency ✓
cc: Comm., Office of Indian Affairs
: Navajo Tribal Mining Engineer
: Chief, Mining Branch
: Files



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
P. O. Box 829
Carlsbad, New Mexico
May 27, 1958

True

MINE INSPECTION REPORT
OAK SPRINGS MINE
NAVAJO RESERVATION
APACHE COUNTY, ARIZONA

CATO SELLS
PERMIT #56



by
Howard B. Nickelson
Mining Engineer

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION - MINING BRANCH

On May 8, 1958, accompanied by Mr. Cato Sells, mine operator, I examined the Oak Springs Mine in Apache County, Arizona, about 12 miles north of Red Rock Trading Post. The mine is operated by Mr. Cato Sells who holds uranium permit No. 56.

Since the last inspection on January 15, 1958, Mr. Sells has driven a 34 degree incline approximately 160 feet long to intersect an ore body found by surface drilling. The incline is located approximately 500 feet northerly of the old vertical shaft. The workings off the vertical shaft have been abandoned but Mr. Sells plans to connect the incline working with the old workings for ventilation. The old workings are connected to VCA's plot 10 workings.

A lense of ore was encountered near the bottom of the incline which he is now mining. The ore is dumped on a two inch rail grizzle and hand sorted by the hoistman. Ventilation is provided by a gasoline driven fan connected to vent tube. The property is worked two shifts per day, four men on day shift and 3 men on night shift.

Since the last inspection production reported in December, 1957 and in March, 1958, amounted to 203.08 tons averaging 0.66% V_2O_5 and 0.179% U_3O_8 per ton.

Howard B. Nickelson

Howard B. Nickelson
Mining Engineer

Orig. to: Supt., Navajo Agency
cc: Comm., Office of Indian Affairs
: Navajo Tribal Mining Engineer
: Chief, Mining Branch
: Files



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 829
Carlsbad, New Mexico
February 4, 1958



MINE INSPECTION REPORT
OAK SPRINGS MINE
COVE MESA MINE
NAVAJO RESERVATION
APACHE COUNTY, ARIZONA

CATO SELLS
PERMIT #56

R/S

by
Howard B. Nickelson
Mining Engineer

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
CONSERVATION DIVISION - MINING BRANCH

On January 15, 1958, accompanied by Mr. C. Collins, engineer for the Navajo Tribal Mining Division, I examined the Cove Mesa mine on Cato Sells permit No. 56, operated by Cato Sells. This permit is in Apache County, Arizona, about 16 miles northwest of the Red Rock Trading Post.

The Cove Mesa mine was developed through an incline to the ore horizon where drifts were driven to the flat lense type ore bodies in a sandstone formation.

The mine was not operating on the day of the inspection and apparently work will be discontinued until more ore can be found by exploratory drilling. The mining machinery is still at the top of the incline but rails have been removed from the underground workings. Mr. Cato Sells stated he thought that he would do some exploratory drilling on the property.

Production from the Cove Mesa Mine from July 1, 1957 to December 1, 1957 was 383 tons averaging about 1.5% V_2O_5 and 0.16% U_3O_8 per ton.

On January 16, 1958, accompanied by Mr. Collins, I examined the Oak Springs Mine in Apache County, Arizona, about 12 miles north of the Red Rock Trading Post. The mine is operated by Mr. Cato Sells who holds uranium permit No. 56.

The Oak Springs mine was developed through a 5 x 5 vertical shaft, 86 feet deep. The mine is connected to Plot # 10 mine on Lease I-149-Ind-5705, operated by the Vanadium Corporation of America. This connection serves as an escape way and eliminates the necessity for forced ventilation. The ore is hauled by wheelbarrow from the working faces to the shaft where it is hoisted to a bin. The hoist was down for repairs and the ore was being piled at the foot of the shaft. No dangerous ground in the working area was noted and the ventilation at the working faces was adequate. On the day of the examination, six Indians were employed.

Mr. Sells stated about four truck loads of ore per week are being mined. Mr. Sells plans to begin an adit on the north rim of the mesa about 400 to 500 feet northwest of the shaft to recover ore discovered in exploration drill holes. This ore is too far away from the present shaft considering the present method of mining with wheelbarrow.

Production from July 1, 1957 to December 1, 1957 was 816.5 tons averaging about 2.5% V_2O_5 and 0.24% U_3O_8 per ton.

Howard B. Nickelson

Howard B. Nickelson
Mining Engineer

Orig. to: Supt., Navajo Agency ✓
cc: Comm., Office of Indian Affairs
: Navajo Tribal Mining Engineer
: Chief, Mining Branch
: Files

RECEIVED
FEB - 1 1958
B E G F
MINING BRANCH
NAVJO AGENCY

Resources
Realty

File Copy
Surname

Navajo Agency
Window Rock, Arizona

JUN 15 1960

Memorandum

To: Chairman, Advisory Committee, Navajo Tribal Council
From: General Superintendent
Subject: Cato Sells

At the conclusion of the Advisory Committee's consideration of the mining agenda on April 29, 1960, it was recommended that at the next scheduled meeting of the Advisory Committee the Realty, Mining and Legal Offices would submit their recommendations based on their investigation of the matter concerning Cato Sells.

The Agency Realty Office herewith tenders its recommendation based on the files on Cato Sells' mining permits, and the rules and regulations as promulgated by the Advisory Committee incorporated into the mining permits.

The attached resume of all correspondence contained in the files on Cato Sells' former mining permits evidences the fact that every consideration and leniency were afforded Mr. Sells.

There is no evidence of prejudicial action against him, but the records show that he has ignored our letters as well as those of the Tribe. Since 1953, 12 formal demands were made to Mr. Sells in addition to 7 other letters to him more or less related to his debt, against 5 replies by him to the Chairman and one to Realty. Three letters were argumentative and evasive and the other three were promises to pay, including two with remittances. Sells' last letter was to the Chairman and is dated August 12, 1958, promising to liquidate his indebtedness to the Tribe by the end of 1958. This promise was not fulfilled.

The Chairman's letter to Sells dated March 20, 1958, states in part that any negotiations found necessary on the indebtedness are to be carried out with the Navajo Agency.

Due to the legal advice given the Chairman by Assistant General Counsel Huerta on August 22, 1958, the B.I.A. was accused of improper administration in neglecting to collect royalties due which jeopardized the Tribe's interests and, therefore, placed the Tribe in a very advantageous position to demand compensation for royalties not collected. The matter was recommended for referral to the Advisory Committee.

In view of the legal department's position above, it was necessary for the Realty Office to demand as a means of guarantying collection of any monies due the Tribe for which the B.I.A. is responsible, that the bonding requirement be inserted in the agreement filed by Sells on June 22, 1959. A bond was never filed by Mr. Sells.

The Advisory Committee renewed Mr. Sells' mining permits, conditioned upon his promises to liquidate his debts owing the Tribe.

It would be wise to bear in mind that the records show Mr. Sells ignored Tribal and Agency letters and defied the mining regulations under which he agreed to perform in his mining permits. He has never filed assignments on his mining permits for approval, but has made agreements off the record for a higher royalty return.

It is also a matter of policy that when a permit expires any Tribal lands described by the permit automatically revert to the Tribe for disposition in its own discretion. The lands are permitted only for the use of so much of the surface of the lands as reasonably necessary to carry on mining operations for the minerals specified therein. The records show that Sells never mined the property which he is now attempting to reclaim from Frank Junior, and which is now being mined in accordance with a mining permit issued to Frank Junior by the Advisory Committee. The Advisory Committee was fully informed that the property was once held by Cato Sells when it granted Frank Junior a mining permit. Frank Junior is now developing the land, which Sells failed to do during the terms of his mining permit No. 56 which was in effect for seven (7) years.

Should Mr. Sells recover the property presently mined by Frank Junior, it undoubtedly would establish a precedent on all other properties on the reservation once covered by expired mining permits, by reverting the properties back to the original permittee. Such action would tend

to vest an interest indefinitely in the name of some Navajo who has either abandoned the property or never had any intention of mining it in the first place. This would not be in line with the Navajo Tribe's policy of desiring its natural resources developed and royalties realized therefrom.

It is very odd and, in fact, queer that Mr. Sells waited 7½ months before protesting Frank Junior's mining operation. Unless he purposely waited until Frank Junior developed the property before intervening with a protest in order to regain the property for himself after values had been established. It also appears that he waited until his debt to the Tribe was almost liquidated through an amortization arrangement set up by the Tribe and V.C.A., before contesting Frank Junior's permit. The liquidation of his debt is attributed to the Mining Department who worked out the details of the amended lease for a clean-up operation with V.C.A., whereby Realty is collecting royalties due Mr. Sells and applying them against his debt to the Tribe. Realty requested permission from the Chairman to withhold for application any royalties due Mr. Sells to the credit of his debt for transfer to Navajo Tribal funds. Mr. Sells never gave his permission for Realty to collect from his royalties, but, since the regulations authorize such collections, Realty proceeded to make monthly collections of his royalties until such time as the entire amount owed is liquidated. The Tribe had every right to negotiate directly with V.C.A. for a straight Tribal royalty, but it generously offered 1/2 of its regular 10% royalty as an outright courtesy to Mr. Sells and other permittees whose rights to claims had expired and the lands reverted back to the Tribe.

Since subject claim is now included in Frank Junior's approved permit No. 537, he has diligently and in good faith developed his claim in accordance with the provisions of his mining permit and the existing regulations; therefore, any adverse action taken against Frank Junior and Climax Uranium Company should entitle them to a hearing to protect their rights, prior to any final decisions.

In view of the record in this case, and in fairness to all parties concerned, we can see no justification whatsoever to disturb the existing status of Frank Junior's mining permit No. 537 and his approved assignment to Climax Uranium Company.

(SGD) K. W. DIXON
ACTING General Superintendent

Attachment
cc: Tribal Legal Department
Tribal Mining Department

TLynch:ges 6/9/60
files, chrono, m&f

Mining Permit No. 56
Gato Sells

Sept. 10, 1953 ✓

Letter to Climax Uranium Co. by Realty requesting remittance of 10% of AEC bonus to Tribe on production from MPs 55 and 56.

Feb. 23, 1956 ✓

Letter by Realty to Sells requesting remittance of \$5,333.40 being 10% of AEC bonus due Tribe. Schedule of bonus payments attached to letter.

March 23, 1956

Memo by Realty to Asst. General Counsel of Tribe with copy of Realty memo of 2/23/56 and Climax Uranium Co.'s letter of 2/28/56 which questioned Tribe's demand for share of AEC bonus.

March 30, 1956 ✓

Asst. General Counsel's letter to Sells recited authority for Realty's request for Tribe's share of AEC bonus.

May 21, 1956

Climax Uranium Co. to Realty acknowledging bonus due and remitted \$3,585.57 as Tribe's share of bonus for production from MP#55 and 56.

July 9, 1956

Realty memo to Advisory Committee regarding application for mining permit and also recited previous demands for Tribe's share of AEC bonus but no reply or remittance. Balance of \$1,716.88 increased by additional bonus to \$1,747.84. Sells's application for MP not recommended until such time that his debt to Tribe is liquidated.

July 11, 1956

Advisory Committee disapproved Sells application for MP on 21.35 acres until such time that full compliance with provisions of MP and 10% of AEC bonus is paid to Tribe as demanded.

July 12, 1956 ✓

Certified letter to Sells by Chairman and Gen. Supt. Received 7/17/56. Recites previous demands for 10% of AEC bonus due Tribe in amount of \$1,747.84.

July 18, 1956 ***

Letter by Sells to Chairman referring to Realty and Legal's letter to him demanding 10% of bonus. States properties mined are covered by mining permits prior to 1952 and MPs 55 and 56 are merely carried forward by Sam Ahkeah's letter of 12/8/52 clarified question on bonus and had relied on it in good faith. Good deal of bonus invested in development expenses as royalties paid over years will show.

August 2, 1956 ✓

Letter by Chairman to Sells referring to telephone call to him that date requesting permission to pay debt in two installments. Chairman accepts Sells proposal and looks for \$873.92 or 1/2 of amount owed. The last half to be due and paid by end of calendar year 1956.

August 10, 1956

Advisory Committee tabled Sells application for mining permit on 21.35 acres due to fact that previous survey shown in MP 56 not correct.

August 14, 1956

Sells submits to Adv. Com. a plat of claim with survey description. Adv. Com. approved survey to be incorporated into MP-56 and to conform to AEC certification for bonus on claim.

August 20, 1956 ***

Realty received from Sells - \$873.92

August 22, 1956 ✓

Letter to Sells by Chairman and Supt. advising renewal of MP56 and correction of survey. Renewal is conditioned upon Sells payment of Tribe's share of AEC bonus in accordance with Chairman's letter dated 8/2/56.

December 26, 1956 ✓

Letter to Sells by Chairman and Supt. referring to previous letter of 8/22/56 where MP56 was renewed on condition that balance of ~~the~~ debt to Tribe be paid not later than end of calendar year 1956. The second half or \$873.92 being due and to advise soon before the condition under which MP56 was renewed will be enforced.

January 14, 1957 ***

Realty received from Sells - \$873.92, leaving a credit balance in favor of Sells in the amount of \$.01.

March 18, 1957 ✓

Letter by Realty to Sells states that files show Sells received bonuses for production during September, October and December 1956 and February 1957, and that bonuses amounted to \$38,905.47. Requested to remit \$3,890.55 to Tribe.

April 15, 1957***

Letter by Sells to Chairman regarding recent conversation on Tribe's attempt to collect its share of AEC bonus and at Chairman's suggestion the letter is written. Not fair for a Navajo to be penalized for being engaged in certain field while others are not penalized such as stockmen who receive free grain. No objection to paying 10 - 20% royalty for uranium mined but not fair for Tribe to demand and share in bonus which is a mining incentive. This reduces incentive to mine ores.

April 24, 1957 ✓

Certified letter to Sells, received April 26, 1957, from Supt. Reference made to previous letter of 3/18/57 reminding Sells of bonuses paid him in the amount of \$38,905.47 of which 10% is due the Tribe. That additional bonuses for March 1957 production, he, Sells, received \$3,653.10 making a total of \$4,255.86 due the Tribe. Please forward payment in 10 days or furnish a statement why he thinks Tribe does not deserve the amount demanded.

May 14, 1957

Memo by Realty to Asst. to Chief of Realty with copies of letters to Sells dated 3/18/57 and 4/24/57. Past 10 days and still no word from Sells and therefore, cancellation of all 4 MPs of Sells is suggested. Additional bonuses since April 1957 increased his debt to \$4,325.78. Previous experience with Sells of difficulty in collecting recited. Terms and conditions of MP cited where applicable. Since no responsible position to collect the debt, BIA is looked upon to collect the item since Sells and Tribe made agreement of MP, approved by Area Director. Suggest that Chief of Realty confer with Tribal officials and Supt. regarding the matter.

June 3, 1957 ***

Letter by Sells to Chairman referred to meeting at W.R. with Chief of Realty, Realty Assistant that date when his hardship on him was caused by rules and regulations on mining. Recommended that 10% clause in regulation has to be repealed.

June 10, 1957

Memo by Chief of Realty to General Supt. regarding meeting on June 3, 1957 with Sells, Mr. Huerta and Realty Asst. when Sells problem of bonus due the Tribe was discussed. Sells proposed to pay \$1,000.00 that day as initial down payment but was not acceptable since proposition was verbal. Sells was requested that the letter being circulated for signature of Chairman and Supt. be withheld if he paid \$1,000.00. (Said letter would have cancelled his MP after a 30 day notice if he did not file a written affidavit setting forth

the terms of the payments to be made. Sells was informed that he must confirm his proposition in writing within 30 days and pay the \$1,000.00 and pay the balance by end of calendar year 1957. It was also agreed that upon receipt of the agreement, it would be submitted to Advisory Committee for consideration and approval.

June 12, 1957

Advisory Committee passed resolution No. ACJ-36-57 amending Adv. Com. Resolution No. ACS-80-51.

June 21, 1957 ✓

Certified letter by Supt. to Sells, received 6/25/57, recites that recent discussion between BIA, Tribal officials and Sells regarding monies due Tribe Requests initial down payment previously proposed and the duly executed affidavit setting forth previously proposed terms but if these are not forthcoming, Sells must appear in 30 days to show cause why MP should not be cancelled. Failure to comply will result in cancellation of MP.

July 16, 1957 ***

Letter by Sells to Realty enclosing \$1,000.00. Balance to be paid at end of calendar year.

October 7, 1957: ✓

Letter by Supt. to Sells - Reference to Sells indebtedness to Tribe for 10% of AEC bonus. In accordance with discussion on matter held in June of year, balance is due before end of calendar year but no payments received since July 16, 1957 when \$1,000 was paid. Reminded that full payment is expected before end of year.

November 25, 1957

Letter to Sells by Realty - Advises that on November 7, 1957, Advisory Committee recommended for approval Sells application for M.P. on 209.66 acres conditioned on his payment in full of his debt to Tribe before end of calendar year 1957. Further advised that Gen. Supt. declined to approve the permit until debt is liquidated.

December 24, 1957

On same letter above, Cato remitted \$1,500 for application to his account and requested to be advised of balance so he can settle it all. (Check later returned by bank marked NSF)

March 10, 1958

Letter by Sells to Chairman - replaced December 24, 1957 check with Cashier's check for \$1,500.00: Claims that due to unforeseen circumstances and lack of cooperation from Window Rock, unable to live up to agreement to take care of debt during calendar year 1957. Application for M.P. in November 1957 was

denied by Supt. which placed him in bad situation. Closed down work at Monument Valley mine for winter. Doing drilling on Oak Springs claim. Nothing shipped since January 15, 1958. Since Advisory Committee Resolution No. ACJ-36-57 was approved by I. O. on September 19, 1957, this should expedite payment of debt but Realty's letter demands larger amount than in November 1957. Requests explanation and to pay balance owed in calendar year 1958.

March 20, 1958

Letter by Chairman to Sells - acknowledges Sells' letter of March 10, 1958. Any letters concerning debt are appreciated but is necessary to submit in writing to Supt. his request of March 10, 1958. Any negotiations found necessary to be carried out must be done with the Navajo Agency.

March 24, 1958

Letter by Supt. to Sells: Reference to Sells' letter of March 10, 1958 and Chairman's reply thereto of March 20, 1958. Balance to date being \$2,357.63. Advisory Committee Resolution ACJ-26-57, approved January 14, 1958, is not retroactive and does not apply to Sells permits. Part of resolution applicable is quoted. Suggested that Sells submit a proposed schedule of payments he will follow. Cooperation with Sells in any way possible extended but indebtedness must be liquidated during current calendar year.

August 12, 1958

Letter by Cato to Chairman: Refers to his debt and proposes to make final payment during calendar year 1958. Since he does not have a fixed income, he cannot propose any specific payments but will liquidate debt in 1958.

August 22, 1958

Memo from Asst. General Counsel to Chairman, NTC, in reply to request for opinion on bonuses in amount of \$2,399.27 due Tribe from M.P. 55 and 56. Recites Advisory Committee authorities for issuing Mining Permits contain certain terms and conditions Sells agreed to abide by. Responsibility of B.I.A. to collect royalties and that now due to improper or lack of administrative action by B.I.A., thus jeopardizing the Tribe's interests, the Tribe is in very advantageous position to demand compensation from government compensation for monies not collected in accordance with provisions of regulations and Mining permits. Recommend matter be referred to Advisory Committee for its recommendation before disposition by Area Office.

September 1, 1958

Schedule of bonuses and payments to Tribe shows a balance of \$2,686.78.

September 3, 1958

Memo from Chairman to Gen. Supt. - Subject is renewal of Sells' mining permit - The question on such renewals and Sells debt to Tribe brought to his attention. Considered matter and opinion is that Sells' mining permits be renewed for six months with understanding that agreement will be submitted promising to

liquidate all or substantial portion of debt. Renewal of mining permits and arrangement for payment to be acted upon by Advisory Committee. Requests arrangements be worked out by Realty and Mining Dept. to get matter before Advisory Committee.

September 9, 1958

Memo from Realty to Mining Office: Per suggestion of Chairman's memo of September 3, 1958, Realty is willing to go along with Chairman's recommendation to renew Sells' permits to enable him to pay off his debts in compliance with agreement to be acted upon by Advisory Committee. No comment made on suggested six months renewals as regulations do not allow it. Realty suggests Advisory Committee review and pass on agreement. Realty concurs with Mining's memo of August 13, 1958 that 1/2 of debt be paid at time agreement is filed and balance be paid in monthly installments. Since Sells has ignored Realty's letters and the regulations, never filed any mining agreements on his permits as required of others, Realty therefore urged that Sells be required to file an acceptable surety bond with his permits.

March 26, 1959

Memo by Realty to Mining - Subject: proposed agreement between Tribe and Sells to renew Mining Permits. Proposed agreement and letter of transmittal returned. (Final draft of agreement) Realty expressed objection to renewal of M.P. #55 because there has not been any production since January 1958 from at least one of the claims therein. Accordingly, the provisions of M.P.#55, due to no production for fourteen months, does not allow a renewal thereof. Statistics cited that during fiscal year mining permit #127 expired and not renewed while 13 were renewed because of their production. Mining permit #55 should not be renewed but is okay for MP #56 since royalties are paid monthly. A \$6,000 bond shall be posted and this is conditioned upon which MP #56 shall be recommended for renewal. Furthermore, Tribe is negotiating with VCA to amend its lease on Monument #2 to clean up all low grade ores, including MP #55 and other adjoining expired Mining Permits.

April 1, 1959

Letter by Chairman by Direction of Advisory Committee to Sells which he received on April 3, 1959. Advises Advisory Committee recommended renewal of mining permits provided that he sign and return enclosed agreement together with payment in the amount of \$127.94, represent the first payment. Recites that monthly payments of \$127.94 each month beginning April 1, 1959. Failure to remit shall subject permits to immediate cancellation without further consideration by Advisory Committee. Bond to be furnished to insure faithful compliance with terms of agreement and mining permits. Failure to furnish bond will result in cancellation of permits.

May 22, 1959

Certified letter by General Superintendent to Sells, received June 9, 1959. Refers to Chairman's letter received April 3, 1959 with agreement. Ten days given in which Sells is to return the agreement if not, permits to be cancelled as of their expiration dates.

June 22, 1959

The agreement signed by Sells and \$500.00 returned by Sells without a note of explanation as to manner in which remittance is to applied and therefore, it was applied to the principal reducing it to \$2,186.78.

July 8, 1959

Letter by Chairman and Superintendent to Sells renewing mining permit #56 for two years from August 6, 1952.

July 29, 1959

Advisory Committee passed Resolution No. ACJL-113-59 authorizing agreement among Navajo permittees, the Navajo Tribe and V.C.A.

August 4, 1959

Cato Sells signed agreement where he assigned his rights to the Tribe and/or V.C.A., so that properties previously held by his MP may be economically operated and mined, in return for a percentage share of the Tribes share of the royalty to be decided upon by the Advisory Committee based on acreage covered by previously expired permits. Resolution authorized 1/2 of Tribe's royalty to go to Tribe and 1/2 to various permittees. Sells to receive 67% of 1/2 of Tribes royalties.

August 7, 1959

Letter by Superintendent to Sells - states that on June 22, 1959, the agreement between him and Tribe was rec'd. Mining permit #56 was renewed July 8, 1959, retroactive to August 6, 1958, conditioned on Sells faithful performance of the agreement. August 1, 1959 is past due and we have not received remittance. Paragraph 3 of agreement requires a bond upon thirty days of renewal of mining permit. Thirty days past and no bond filed. Two sections of agreement violated. Advised that if not heard from in ten days; permit #56 will be forced into cancellation.

August 24, 1959 ←

Certified letter to Sells by Superintendent rec'd by Sells August 27, 1959, letter Sur-named by Realty, Mining, Legal, Chairman and Ass't. Superintendent. Cancelled mining permit #56 effective date of letter in conformity with letter of August 7, 1959.

August 24, 1959

V.C.A. filed Amendment No. 1 to mining lease No. I-149-Ind-6204 signed by Chairman on September 21, 1959. Amendment approved by Area Director December 2, 1959. The Realty Office now deposits to Tribal Funds any amounts of monies due Sells under the provisions of Amendment No. 1 to Monument No. 2 lease of V.C.A. until such time that his indebtedness is liquidated. Any monies left after liquidating his debt will be deposited to an I.L.M. account from which he may make withdrawals.

September 24, 1959

Advisory Committee approved mining permit for Frank Junior on 130 acres previously Cato No. 1 under Cato Sells cancelled permit No. 56.

November 17, 1959

Assignment of Frank Junior's mining permit No. 537 to Climax Uranium Company approved by Area Director.

April 13, 1960

Seven and half months later Cato Sells makes verbal protest to Acting General Superintendent on the cancellation of mining permit No. 56. (This is first word from Sells regarding his former permit. He has been to Realty Office on previous occasions but never mentioned the cancellation of mining permit No. 56. Sells was belligerent and threatened to sue Tribal Chairman and General Supt. for damages.)

LAW OFFICES
TANSEY & ROSEBROUGH
NYE BUILDING - 108 NORTH ORCHARD
FARMINGTON, NEW MEXICO

CHARLES M. TANSEY, JR.
HASKELL D. ROSEBROUGH

May 17, 1960.

PHONES: DA 5-3651
DA 5-9433

Bureau of Indian Affairs,
Navajo Agency,
Branch of Realty,
Window Rock, Arizona.

Attn. Thomas Lynch

Gentlemen:

I have been asked to represent Frank Nacheenbatah, Jr., in connection with the dispute which now exists in regard to his Mining Permit No. 537.

It is my understanding that Cato Sells previously had mining permit No. 56 which covered this land, and that Cato's permit was cancelled by your letter of August 24, 1959, and thereafter Frank Nacheenbatah, Jr. was granted his mining permit No. 537, which has been assigned, with approval, to Climax Uranium Company.

I further understand from my long distance telephone conversation with you on May 16th, 1960, that sometime in June there will be a hearing held in connection with this matter. I would very much appreciate if you could notify me as well as Frank Nacheenbatah, Jr., of the date and place of this hearing so that I may be present to represent Mr. Nacheenbatah.

Very truly yours,

TANSEY & ROSEBROUGH

By Charles M. Tansey, Jr.

CMT:rl

cc: Legal Department,
Navajo Tribe,
Window Rock, Arizona.

Climax Uranium Corp.,
Grand Junction, Colo.,
Attn. Mr. English.



JAMES L. BROWN
JOE W. WOOD
AUSTIN E. ROBERTS

BROWN, WOOD & ROBERTS
ATTORNEYS AT LAW
BOX 1144
FARMINGTON, NEW MEXICO

Realty
NAVJO AGENCY
WINDOW ROCK, ARIZONA
RECEIVED
AUG 10 1960

August 9, 1960



The Honorable Scott Preston
Chairman
Navajo Advisory Committee
Window Rock, Arizona

Dear Sir:

Reference is made to the decision of the Advisory Committee concerning Mr. Cato Sells' application to have reinstated Mining Permit No. 56. *file*

It is my understanding that the Advisory Committee voted to not disturb the present mining permit held by Frank Junior. We can understand this decision, as a contrary decision would have created additional problems.

However, we respectfully request that the remainder of Mining Permit No. 56, which does not conflict with that one now being held by Frank Junior, be restored to Mr. Cato Sells, as I am sure the Committee feels that there are certain equities in favor of Mr. Sells insofar as this matter is concerned.

Very truly yours,

BROWN, WOOD & ROBERTS

By

James L. Brown

JLB:11

cc: Mr. Paul Jones
Tribal Chairman

The Navajo Tribal Mining Office

Bureau of Indian Affairs
Realty Office

Two

Window Rock, Arizona

MINING PERMIT NO. 55 - 119.4 acres

Approved August 21, 1952, Expired August 21, 1958.

Last ore delivery in May 1959, the last delivery prior thereto was in January 1958.

Letters Dated

MINING PERMIT NO. 56 - 446.27 acres

Permit approved August 6, 1952, expired August 6, 1958. Production continued after expiration of permit - last settlement for May 1959. All settlements from the Oak Springs Claim with 4 or 5 from Cove Mesa.

August 12, 1958:

Cato to Jones: Proposed to pay or make final payment of debt on bonus during calendar year 1958. Balance of debt then: \$2,686.78

Sept. 3, 1958:

Jones to Supt: Suggest a 6 months renewal of MPs to enable liquidation of debt and to have Mining Engineer and Realty work out details to get matter before Advisory Committee (meaning debt of Sells)

Sept. 24, 1958:

Garard to Jones: Reference to Realty memo of Sept. 3, 1958 to Mining Engineer. Garard agrees with Realty memo.

(2-3-59)

Advisory Committee approved proposed agreement between Tribe and Cato and the same was circulated for BIA recommendations and approval.

April 3, 1959:

Chairman transmitted agreement to Cato for execution.

May 22, 1959:

Certified Letter by Supt. to Cato. Rec'd by Cato June 9, 1959: Agreement transmitted to him by Chairman not returned yet and therefore agreement must be signed in 10 days or else MPs will be cancelled effective as of their expiration dates.

June 22, 1959:

Exactly one month later, the agreement and \$500.00 rec'd from Sells without notice or explanation, and therefore, it was applied to total reducing balance to \$2,186.78.

July 8, 1959:

MP#56 renewed by Chairman and Supt. for 2 years from its expiration date being August 6, 1958.

August 7, 1959:

Letter by Supt. to Sells. Cited recent renewal of permit #56 but no payment in accordance with agreement has been received as of August 1, 1959. No bond has been furnished after 30 days of renewal of MP. 2 Sections of agreement already violated. 10 days notice if remittance in conformity with agreement not received will cancel MP#56.

August 24, 1959:

Supt. to Sells: Cancellation of MP#56 effective August 24, 1959 pursuant to letter of August 7, 1959.

September 24, 1959:

Advisory Committee approved mining permit for Frank Junior on Cato #1 Claim previously under Cato's MP#56, ~~expirated~~ cancelled.

November 17, 1959:

Area Director approved assignment of Frank Junior's MP#537 to Climax Uranium Company.

No permits of Sells in effect to date.

In October & November 1951, 306.55 Lbs. U3O8 was mined by Climax Uranium Co. from Cato #1 claim. No other production.

*4145.24
still has on books
being collected monthly
from monument valley agreement.*

HA. Realty — ^{Kugas} 1. Resources
2. Ings' file
JRG

4-17-60 9 A.M.

MR. SELLS CALLED IN PERSON, ACCOMPANIED BY MRS. SELLS,
TO PROTEST THE GENERAL SPT'S ACTION ON 8-7-59 IN
CANCELING HIS PERMITS 55 & 56 ON MESA 5. ms 2

I CALLED REALTY & TOM LYNCH BROUGHT FILES OVER. IT APPEARS
THAT MR. SELLS HAD VIOLATED TWO CONDITIONS OF AGREEMENT
WITH THE TRIMME FOR RENEWAL OF THESE PERMITS — FAILURE
TO MAKE PAYMENTS ON TIME (DUE FIRST OF EACH MONTH) AND
FAILURE TO FILE SURETY BOND.

SELLS CONTENDS HE HAD UNTIL 12/31/60 TO COMPLETE PAYMENTS THOUGH
THERE IS NOTHING TO THIS EFFECT IN AGREEMENT.

WHEN I ADVISED HIM THAT IT APPEARED THAT THE MATTER IS CLOSED
AS FAR AS THIS OFFICE IS CONCERNED, HE STATED HE PLANS
TO BRING SUIT IN FEDERAL COURT AGAINST THE GENERAL SPT.
& THE TRIMME CHAIRMAN.

I ADVISED HIM IF THE FEDERAL COURT HAS JURISDICTION, IT IS HIS
PRIVILEGE TO BRING SUIT. MR. LYNCH QUESTIONED THAT FEDERAL
COURT WOULD HAVE JURISDICTION AND ADVISED MR. SELLS THAT
HIS APPEAL SHOULD BE DIRECTED TO THE ADVISORY COMMITTEE.
MR. SELLS LEFT STATING HE WAS GOING TO CONSULT JOE McPHERSON
REGARDING HIS LEASE RIGHTS.



April 13, 1960

9:00 A.M.

Cato Sells called in person accompanied by Mrs. Sells to protest the General Superintendent's action on August 7, 1959 in cancelling his permits Nos. 55 and 56 on Mesa No. 5.

I called Realty and Tom Lynch brought files over. It appears that Mr. Sells had violated two conditions of agreement with the Tribe for renewal of these permits - failure to make payments on time (due first of each month) and failure to file surety bond.

Sells contends he has until December 31, 1960 to complete payments though there is nothing to the effect in agreement. When I advised him that it appeared that the matter is closed as far as this office is concerned, he stated he plans to bring suit in Federal Court against the General Superintendent and the Tribal Chairman.

I advised him if the Federal Court had jurisdiction, it is his privilege to bring suit. Mr. Lynch questioned that Federal Court would have jurisdiction and advised Mr. Sells that his appeal should be directed to the Advisory Committee.

Mr. Sells left stating he was going to consult Joe McPherson regarding his legal rights.

Fitzgerald

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Fitzgerald

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

60

60

A G R E E M E N T

WHEREAS, Cato Sells, hereinafter referred to as "Sells," has heretofore held Navajo Mining Permits Nos. 55 and 56 and now desires renewal of said permits, and

WHEREAS, the Navajo Tribe, party of the second part, desires to have the valuable ores mined and produced, and

WHEREAS, the party of the first part is indebted to the Navajo Tribe in the amount of \$2,686.78 on past royalties.

NOW THEREFORE do the parties mutually agree and covenant as follows:

1. Sells promises and covenants to pay the balance of his indebtedness in twenty-one equal monthly installments of \$127.94, by cashier's check, bank draft or postal money order, on or before the first day of each month for twenty-one months. Sells agrees that failure to pay on or before the due date shall be cause for cancellation of Mining Permits No. 55 and 56 without recourse.

2. Sells agrees, promises and covenants that should he receive any additional bonus payments on account of the operation of mining properties under Mining Permits No. 55 and 56, he will immediately remit to the Navajo Tribe any and all portions of such bonuses as the Tribe may be entitled to under the terms of such permits, rules or regulations.

3. Sells shall furnish within thirty days of approval of renewal of Mining Permits Nos. 55 and 56 a bond in accordance with regulations with a surety acceptable to the United States conditioned upon the faithful performance of the terms of the permits and this agreement.

4. In consideration of the faithful performance of the foregoing, the Navajo Tribe will recommend renewal of Mining Permits Nos. 55 and 56. In the event anyone of the foregoing promises are not faithfully performed, Mining Permits Nos. 55 and 56 shall be cancelled immediately.

5. The Navajo Tribe assumes no responsibility for whatever action the Navajo Agency, Bureau of Indian Affairs, may deem appropriate, and it is expressly understood by both parties that the promises herein are not contingent upon favorable Navajo Agency action on the request for renewal of Mining Permits Nos. 55 and 56.

CATO SELLS

Cato Sells

THE NAVAJO TRIBE OF INDIANS

By *Paul Jones*
Chairman
Navajo Tribal Council

File Copy

Surname

Kipsh

Navajo Agency
Window Rock, Arizona

August 25, 1959

Kerr-McGee Oil Industries, Inc.
P. O. Box 603
Shiprock, New Mexico

Gentlemen:

Enclosed is a thermofax copy of a letter dated August 24, 1959, to Mr. Cato Sells, advising him that his Navajo Tribal Mining Permit No. 56 is cancelled effective August 24, 1959.

Accordingly, Mr. Sells is no longer permitted to mine and sell ores from any mining claims he had on the Navajo Reservation to any ore buying station, mill or agency of the Atomic Energy Commission.

Sincerely yours,

/s/ R. C. Clark

R. C. Clark
Acting Agency Realty Officer

Enclosure

CC: Vanadium Corporation of America
Durango, Colorado

Texas-Zinc Minerals Corporation
1129 Colorado Avenue
Grand Junction, Colorado

Climax Uranium Company
P. O. Box 1901
Grand Junction, Colorado

TLynch:dc 8/25/59

Realty - M. P. No. 56
Chrono
M & F

NA-5-387

NAVAJO AGENCY
Route Sheet

Subject Cancellation of M. P. No 56 Attachments Ltr. to Cato Sells re: same
and Agency File

Route to	Released		Comments
	Initial	Date	
1. Realty	MDA	8-19	
2. Miner Gen. Supt. (Resource)	6KB	8-21	
3. Legal Gen. Supt.	Wdy	8/22	
4. Chairman Realty	RJ	8/24/59	
5. Resource	KWT	8/24	
6. Gen'l. Supt.	ORT	8/24	
7. Realty			
8.			
9.			
10.			



Originator's instructions for final disposition

RETURN TO BRANCH OF REALTY

☒ 3 Signature ☐ See me ☐ Prepare reply for your signature
☐ Comment & return ☐ Information ☐ Follow-up action or
☐ Review ☐ Prepare reply for _____
☒ 1 & 2 Concurrence & surname ☐ Prepare reply for my signature _____

Originator Thomas Lynch, Realty Phone 2-3071 Date 8/19/59

Navajo Agency
Window Rock, Arizona

AUG 24 1959

Certified Mail
Return Receipt Requested

File Copy
Surname

Reynolds
Long
Wray
James
Dixon

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Pursuant to the provisions of our letter to you dated August 7, 1959, citing violations of your agreement made with the Navajo Tribe, you are hereby advised that your Navajo Tribal Mining Permit No. 56 is cancelled effective the date hereof.

Sincerely yours,


(Sgd) Glenn R. Landbloom
General Superintendent

TLynch:dc 8/19/59

Realty - M. P. No. 56
Chrono
M & F

Thermofax copy to Kerr-McGee
USA, Durango, Colo.
Texas-Zinc
Climax Uranium Co, Box 1901, Gr. Junction

NAVAJO AGENCY
Route Sheet

<u>Subject</u> Letter to Cato Sells demanding compliance with provisions of agreement with Navajo Tribe		<u>Attachments</u> One folder on mining permit #56 of Cato Sells													
Route to	Released		COMMENTS												
	Initial	Date													
1. Realty	max	8-5													
2. Tribal Mining Dept.	W.L.	8/5													
3. Chairman, N. T. C.	PP	8/6/59													
4. Resources	CH	8/7													
5. General Supt.	ha	8/7													
6. Realty	TL	8-7													
7.															
8.															
9.															
10.															
<u>Originator's instructions for final disposition</u>															
<table border="0"> <tr> <td><u>5</u> Signature</td> <td>___ See me</td> <td>___ Prepare reply for your signature</td> </tr> <tr> <td>___ Comment & return</td> <td>___ Information</td> <td>___ Follow-up action or</td> </tr> <tr> <td>___ Review</td> <td>___ Prepare reply for</td> <td>___</td> </tr> <tr> <td><u>2, 3</u> Concurrence & surname</td> <td>___ Prepare reply for my signature</td> <td>___</td> </tr> </table>				<u>5</u> Signature	___ See me	___ Prepare reply for your signature	___ Comment & return	___ Information	___ Follow-up action or	___ Review	___ Prepare reply for	___	<u>2, 3</u> Concurrence & surname	___ Prepare reply for my signature	___
<u>5</u> Signature	___ See me	___ Prepare reply for your signature													
___ Comment & return	___ Information	___ Follow-up action or													
___ Review	___ Prepare reply for	___													
<u>2, 3</u> Concurrence & surname	___ Prepare reply for my signature	___													

Originator Lynch Phone 2-3071 Date 8/6/59

Eric Egan

Surname

[Signature]

[Signature]

[Signature]

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

AUG 7 1959

Dear Mr. Sells:

On June 22, 1959, this office received the agreement you made with the Navajo Tribe whereby you agreed to pay a certain amount of money on the first day of each month to the Navajo Tribe until the entire amount involved is liquidated.

Your mining permit #56 was renewed July 8, 1959, retro-active to August 6, 1958, conditioned on your faithful performance of the agreement. August 1, 1959 is now past and we have not received your remittance as called for in the agreement.

Paragraph 3 of the agreement requires you to furnish within 30 days of renewal of your mining permit a bond in accordance with applicable regulations. It is now past 30 days since your mining permit was renewed and you have not posted a bond. The bond should be in the amount of \$6,000.00 to insure performance of the terms and conditions of mining permit #56 and the agreement.

Since you have already violated two sections of the agreement, we are wondering if you plan on living up to any of the terms and conditions of the agreement.

In view of the foregoing, you are hereby advised that unless we receive your remittance and the bond within 10 days from date hereof, we shall be forced to cancel your mining permit #56.

Sincerely yours,

Clarence Ashby

Acting General Superintendent

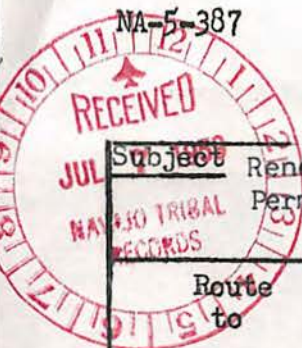
cc: Tribal Mining Dept.

Tlynch: 8/5/59

Realty
chronos
M/F

NA-5-387

NAVAJO AGENCY Route Sheet



Subject Renewal of Navajo Tribal Mining Permit No. 56.		Attachments Letter to Mr. Cato Sells re: renewal of mining permit.
Route to	Released	Comments
	Initial Date	
1. Realty	Rec 7/7/59	
2. Chairman, N.T.C.	PG 7/7/59	
3. Asst. Gen. Supt. (Resources)	KWP 7/8	
4. General Supt.	ECA 7/8	
5. Realty	7/9	
6.		
7.		
8.		
9.		
10.		
<u>Originator's instructions for final disposition</u>		
<div> <div>2 & 4 Signature</div> <div>_____</div> </div> <div> <div>_____</div> <div>Comment & return</div> </div> <div> <div>_____</div> <div>Review</div> </div> <div> <div>1 & 3 Concurrence & Surname</div> <div>_____</div> </div> <div> <div>_____</div> <div>See me</div> </div> <div> <div>_____</div> <div>Information</div> </div> <div> <div>_____</div> <div>Prepare reply for</div> </div> <div> <div>_____</div> <div>Prepare reply for my signature</div> </div> <div> <div>_____</div> <div>Prepare reply for your signature</div> </div> <div> <div>_____</div> <div>Follow-up action or</div> </div>		



Originator T Lynch, Branch of Realty Phone 2-3071 Date 7/6/59

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Navajo Agency
Window Rock, Arizona

Resources
Realty

JUL 8 1959

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

File Copy
Surname

Clark (acting)
Ryan

Dear Mr. Sells:

Pursuant to your request, you are hereby advised that your Navajo Tribal mining permit No. 56 is renewed for a period of two (2) years from its expiration date, being August 6, 1958.

Sincerely yours,

(SGD) PAUL JONES

Chairman, Navajo Tribal Council

SGD/ ELMER HASSIG

Acting General Superintendent

CC: Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

U. S. Geological Survey
P. O. Box 829
Carlsbad, New Mexico

Tribal Mining Department

TL:dc 7/6/59

Realty - M. P. No. 56
Chrono
M & F



NAVAJO AGENCY
Route Sheet

Subject		Attachments
Re renewal of Mining Permits and terms of agreement, Cato Sells		Letter to Mr. Sells, w/file
Route to	Released	Comments
	Initial Date	
1. Realty	ms 5-13	
2. Tribal Mining Dept.	^{SVC} Rng 5-19	
3. Tribal Legal Dept.	Wof 5/19	
4. Chairman, NTC		
Asst. Gen. Supt.		
5. (Resources)	KWD 5/22	
6. Gen. Superintendent	GR 5/22	
7. Realty	^{MOZ} TL 5/22	
8. Gen. Superintendent	YRL 5/22	
9. Realty		
10.		
Originator's instructions for final disposition		
Please return to Branch of Realty		
<u>6 8</u> Signature	See me	Prepare reply for your signature
Comment & return	Information	Follow-up action or
Review	Prepare reply for	
1,2,3,4,5 Conourrence & surname	Prepare reply for my signature	
Originator	Realty-Minerals	Phone WR 23071 Date 5/13/59

Resources
Realty

MAY 22 1959

Certified Mail
Return receipt requested

File Copy
Surname
s/ Lynch
Long
Garard, CVC
Wolf
Preston
Dixon

Mr. Cato Sells
901 Buena Vista Avenue
Farmington, New Mexico

Dear Mr. Sells:

We have a copy of letter to you by direction of the Advisory Committee, signed by the Chairman of the Navajo Tribal Council, which you receipted on April 3, 1959.

This letter transmitted an agreement regarding the renewal of your mining permits and your indebtedness to the Navajo Tribe, which you were to sign and return with the first installment.

Since you have not returned the agreement, you are hereby given ten (10) days from date hereof to return the same and, if not, the mining permits will be cancelled effective on their expiration dates.

Sincerely yours,

(Sgd.) Glenn R. Landbloom

General Superintendent

cc: Chairman, Navajo Tribal Council
Tribal Mining Department
Tribal Legal Department

TLynch:ges 5/13/59
rewritten:ges 5/22/59

file
chrono
m&f

*Agreement returned
June 22, 1959
with \$500.00*

Resources
Realty

File Copy

Surname

[Handwritten signatures and initials]
Difon

Certified Mail
Return receipt requested

Mr. Cato Sells
901 Buena Vista Avenue
Farmington, New Mexico

Dear Mr. Sells:

We have a copy of letter to you by direction of the Advisory Committee, signed by the Chairman of the Navajo Tribal Council, which you receipted on April 3, 1959.

This letter transmitted an agreement regarding the renewal of your mining permits and your indebtedness to the Navajo Tribe, which you were to sign and return with the first installment.

Since you have not returned the agreement, you are hereby given ten (10) days from date hereof to return the same and, if not, the mining permits will be cancelled effective on their expiration dates ~~and appropriate action will be instituted to collect the amount owing the Navajo Tribe which is long past due.~~

Sincerely yours,

General Superintendent

cc: Chairman, Navajo Tribal Council
Tribal Mining Department
Tribal Legal Department

TLynch:ges 5/13/59

file
chrono
m&f



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

Resources
Realty

BUREAU OF INDIAN AFFAIRS

NAVAJO AGENCY
WINDOW ROCK, ARIZONA

Certified Mail
Return receipt requested

Mr. Cato Sells
901 Buena Vista Avenue
Farmington, New Mexico

Dear Mr. Sells:

We have a copy of letter to you by direction of the Advisory Committee, signed by the Chairman of the Navajo Tribal Council, which you receipted on April 3, 1959.

This letter transmitted an agreement regarding the renewal of your mining permits and your indebtedness to the Navajo Tribe, which you were to sign and return with the first installment.

Since you have not returned the agreement, you are hereby given ten (10) days from date hereof to return the same and, if not, the mining permits will be cancelled effective on their expiration dates, ~~and appropriate action will be instituted to collect the amount owing the Navajo Tribe which is long past due.~~

Sincerely yours,

General Superintendent

cc: Chairman, Navajo Tribal Council
Tribal Mining Department
Tribal Legal Department

Handwritten:
F. J. Fawcett
5/22/59
J. Gen. Supt. for signature

Mr. Cato Sells
901 Buena Vista Avenue
Farmington, New Mexico

mailed 4-1-59
Rec'd by Sells
Typed 3-17-59
4-3-59

Dear Mr. Sells:

Reference is made to your requests of July 30, 1958, to renew Mining Permits Nos. 55 and 56 and to your letter of August 12, 1958, requesting time to make your payments on current indebtedness to the Navajo Tribe.

The Advisory Committee has considered your request to renew the permits. It has been decided to recommend renewal provided that you sign and return the enclosed agreement together with a cashier's check, postal or bank money order in the amount of \$127.24, representing the first payment of your indebtedness to the Tribe.

The agreement provides that you shall remit to the Branch of Realty twenty-one monthly installments of \$127.24 on or before the first day of each month for twenty-one months, beginning April 1, 1959. Failure to remit shall subject your permits to immediate cancellation without further consideration by the committee.

Further, the agreement provides that you shall immediately remit to the Tribe ten per cent of any additional bonuses you may receive from the Atomic Energy Commission.

Lastly, the agreement provides that you shall furnish a bond to insure faithful compliance both with the terms of this agreement and of your mining permits. Failure to furnish the bond shall also result in cancellation of your permits.

By Direction of the Advisory Committee,

Chairman
Navajo Tribal Council

Enclosure
cc: Mining Dept.
Branch of Realty

Tribal Mining Department

March 26, 1959

Branch of Realty, Navajo Agency

Proposed agreement between Navajo Tribe and Cato Sells to renew Mining Permits Nos. 55 and 56

We are returning herewith the subject file containing a letter of transmittal to Cato Sells to be signed by the Chairman, Navajo Tribal Council, and proposed agreement to be enclosed.

Per your request, this office in anticipation of receiving the executed agreement for bureau approval, cannot see why mining permit No. 55 can be renewed when records show Cato Sells has not performed any mining operations for the selling of ores since January 1958 from at least one of the claims described in permit No. 55.

Permit No. 55, according to its provisions, cannot be renewed since no mining has been done during the past 14 months and that a renewal thereof can be granted if mining operations and the selling of ores are conducted, or if development operations continue with expenditures at the equivalent rate of \$5.00 per acre annually.

As a result of this requirement, during the present fiscal year, 127 mining permits have expired and have not been renewed, while only 13 were renewed because mining operations were carried on and that monthly royalties are paid the Navajo Tribe.

In view of the foregoing, under no circumstances should mining permit No. 55 be renewed. It should be eliminated from the agreement. There is no objection to the renewal of mining permit No. 56, since monthly royalties are paid thereon. Section 3 of the proposed agreement should state the amount of the surety bond to be posted. According to acreage covered by permit No. 56, a \$6,000.00 bond shall be posted and this is a condition upon which the permit shall be recommended for renewal.

Furthermore, your office is currently negotiating with Vanadium Corporation of America for a clean-up operation on any remaining ores, which are all low-grade, on all mining permits adjoining Vanadium Corporation of America's Monument No. 2 mine, including mining permit No. 55.

(S) M. D. LONG

M. D. Long
Agency Realty Officer

TL/cm

Attachment

cc: Realty - 55 and 56
Chrono
M&F

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

59



59

Realty Copy

September 9, 1958

Navajo Tribal Mining Department

Branch of Realty, Navajo Agency

Cato Sells' Tribal Mining Permits

In accordance with the Chairman of the Navajo Tribal Council's memorandum dated September 3, 1958, thermofax copy attached, requesting this office to work out the necessary details with your office in presenting before the Advisory Committee, the matter of renewing Cato Sells' mining permits, we offer additional suggestions and information.

Our records show that Cato Sells' mining permit #55 expired August 21, 1958 and permit #56 expired August 6, 1958, and that renewals thereof were requested prior to these dates.

This office is willing to go along with the Chairman's recommendation that in view of Mr. Sells' indebtedness to the Navajo Tribe, subject mining permits be renewed to enable Mr. Sells to liquidate his debt to the Navajo Tribe in compliance with a forthcoming agreement and that such proposition or agreement be acted upon by the Advisory Committee.

Inasmuch as the mining regulations and the terms and conditions of the mining permits, as promulgated by the Advisory Committee, do not provide for renewals of mining permits for a period of less than the two year terms thereof, perhaps it will be best not to comment on this part.

In addition to the Chairman's recommendation, this office suggests that the proposed agreement be submitted to these offices prior to any date the Advisory Committee will consider same. This procedure will enable the Advisory Committee to act on a written agreement after being reviewed by your office and this office instead of having the Advisory Committee act on a tentative or proposed agreement which may never be filed or the Advisory Committee may never see.

This office has completed a detail audit of the payment folders of subject permits which discloses that, to date, the balance past due the Navajo Tribe on account of its' 10% share of Atomic Energy Commission bonuses paid Mr. Sells is \$2,686.78. This figure does not include any future bonuses he will apply for and receive from the AEC and that the Navajo Tribe will have its' share coming. A copy of the summary showing information relative to bonuses received by Mr. Sells and the portions thereof remitted to the Navajo Tribe is attached hereto for information.

Sept. 8, 1958

Page 2:

As an additional suggestion, perhaps the proposed agreement to liquidate the above balance due should contain, in concurrence to suggestion cited in your memorandum to the Chairman dated August 13, 1958, a condition that the agreement when submitted be accompanied with payment in cashier's check, postal or bank money order representing one-half or \$1,343.39 of the amount past due. The remaining \$1,343.39 could be paid in monthly payments or whatever arrangement Mr. Sells proposes to submit to the Advisory Committee in meeting his debt to the Navajo Tribe.

The agreement should also contain a stipulation that during the six months period it is in force and complied with, that any additional bonuses applied for and received by Mr. Sells on account of and for production after February 1958 and including the time subsequent to liquidation of the current debt under these mining permits with the 10% provisions, he shall immediately upon receipt of any and all A. E. C. bonuses, remit 10% thereof to the Navajo Tribe in conformity with the mining permit and regulations of the Navajo Tribe.

In view of the past reluctance of Mr. Sells to promptly remit to the Navajo Tribe, when requested, 10% of the A. E. C. bonuses he received, and that he never made any effort to place on file with this office any evidence of his mining permits being assigned nor that the records show his mining permits assigned, this office recommends and urges that Mr. Sells be required to file with his mining permits, an acceptable surety bond to insure the future indemnity of his obligation that maybe incurred in connection with his mining activities on Tribal lands.

This is felt to be extremely necessary inasmuch as the records show that out of six claims thus far certified by the A. E. C. as eligible for full bonus payments, five remain to receive additional bonus payments out of a possible \$35,00.00 on each certification. This makes a possible total of \$10,479.82 that could be due the Navajo Tribe if Mr. Sells elects to further mine, remove and sell ores from each of the certified claims until the full bonuses are received thereon when and if applied for to the Atomic Energy Commission. Thus far, only one of the certified claims of Mr. Sells has sold the required amount of ore to enable him to receive a full bonus and the Tribe has received its share.

/s/ M. D. Long
M. D. Long,
Agency Realty Officer

CATO SELLS AEC BONUS PAYMENTS

Mining Permits 55 & 56

As of Sept. 1, 1958

<u>Bonus Period</u>	<u>AEC SCHEDULE Amt of Bonus</u>	<u>DEBIT 10% of Bonus</u>	<u>CREDIT Amount Paid</u>	<u>Date Paid</u>	<u>Balance Due</u>
Oct/Nov '52	\$ 35,000.00	\$ 3,500.00	\$ 3,500.00	5/25/56	- 0 -
Dec 53, Jul & Aug '54	\$ 855.65	\$ 85.57	\$ 85.57	5/25/56	- 0 -
May & Jul 53	\$ 309.63	\$ 30.96			\$ 30.96
1954 & 1955	\$ 17,168.78	\$ 1,716.87	\$ 873.92	8/20/56	\$ 873.91
			\$ 873.92	1/14/57	\$ cr.01
1956, 57 & 58	\$ 51,867.85	\$ 5,186.79	\$ 1,000.00	7/17/57	\$4,186.78
			\$ 1,500.00	3/12/58	\$2,686.78
<hr/>					
	\$105,201.91	\$ 10,520.19	\$ 7,864.37		\$2,686.78
<hr/>					

EVIDENCE OF REMITTANCES

<u>Date Paid</u>	<u>Field Receipt No.</u>	<u>Name of Remitter</u>	<u>Amount of Remittance</u>
May 25'56	469829	Climax Uranium Company	\$ 3,585.57
Aug 20'56	481987	Cato & Mary Sells	\$ 873.92
Jan 14'57	506402	Cato Sells Mines	\$ 873.92
Jul 17'57	513961	Cato Sells Mines	\$ 1,000.00
Mar 12'58	519600	Mrs. Cato Sells	\$ 1,500.00
			<hr/>
			\$ 7,864.37

THE NAVAJO TRIBE
WINDOW ROCK, ARIZONA

PAUL JONES, CHAIRMAN
NAVAJO TRIBAL COUNCIL

SCOTT PRESTON
VICE-CHAIRMAN

J. MAURICE McCABE
SECRETARY-TREASURER

September 3, 1958

Memorandum

To: Glenn R. Landbloom, General Superintendent,
Navajo Agency

From: Paul Jones, Chairman, Navajo Tribal Council

Subject: Renewal of Mr. Cato Sells' Mining Permits


The question as to whether Mr. Cato Sells' two mining permits should be renewed in view of his present indebtedness to the Tribe has been called to my attention.

I have considered this matter and it is my opinion that this problem can best be resolved by renewing Mr. Sells' mining permits at this time for a period of six months with the understanding that he is to submit an agreement whereby he promises to liquidate all or a substantial portion of his indebtedness to the Tribe within the six-month period. Of course, in accordance with established procedure the actual renewal of the permits and the arrangement for payment of the debt must be acted upon by the Advisory Committee of the Navajo Tribal Council. I further recommend that if at all possible Mr. Sells be afforded an opportunity to be present at the meeting held by the Advisory Committee to consider his permits.

It would, therefore, be very much appreciated that if your office has no objection to an arrangement such as is proposed above that your

Off Acting
1- Resources
2- Realty map to

Branch of Realty work out with our Tribal Mining Engineer's office the necessary details to get this matter before the Advisory Committee as soon as possible.


Paul Jones
Chairman, Navajo Tribal Council

CATO SELLS AEC BONUS PAYMENTS

Mining Permits 55 & 56

As of Sept. 1, 1958

<u>Bonus Period</u>	<u>AEC SCHEDULE Amt of Bonus</u>	<u>DEBIT 10% of Bonus</u>	<u>CREDIT Amount Paid</u>	<u>Date Paid</u>	<u>Balance Due</u>
Oct/Nov '52	\$ 35,000.00	\$ 3,500.00	\$ 3,500.00	5/25/56	- 0 -
Dec '53, Jul & Aug '54	\$ 855.65	\$ 85.57	\$ 85.57	5/25/56	- 0 -
May & Jul '53	\$ 309.63	\$ 30.96			\$ 30.96
1954 & 1955	\$ 17,168.78	\$ 1,716.87	\$ 873.92	8/20/56	\$ 873.91
			\$ 873.92	1/14/57	\$ cr.01
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			\$ 1,500.00	3/12/58	\$2,686.78
<hr/>					
	\$105,201.91	\$ 10,520.19	\$ 7,864.37		\$2,686.78
<hr/>					

EVIDENCE OF REMITTANCES

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Jul 17 '57	513961	Cato Sells Mines	\$ 1,000.00
Mar 12 '58	519600	Mrs. Cato Sells	\$ 1,500.00
			<hr/>
			\$ 7,864.37

22 August 1958



Memorandum

To : Paul Jones, Chairman, Navajo Tribal Council
From : C. Lawrence Huerta, Assistant General Counsel
Subject: Indebtedness of Mr. Cato Sells to the Navajo Tribe

file #
MP 56

You have asked the Tribal Legal Department for an opinion on the question of the 10% AEC bonus in the amount of \$2,399.27, presently due the Navajo Tribe by Mr. Cato Sells as a result of his mining operations conducted on tribal lands under Mining Permits Nos. 55 and 56.

The Advisory Committee received authority from the Navajo Tribal Council to consider, and in proper cases recommend approval to the Area Office, of mining permits on tribal lands. On the basis of this authority, the Advisory Committee on July 8, 1952, recommended approval of Mining Permit No. 56 to Mr. Cato Sells. This permit was later approved by the then Acting Area Director, Mr. R. G. Fister, on August 6, 1952. As to Mining Permit No. 55, the Advisory Committee on July 8, 1952 recommended its approval, and the Area Director on August 21, 1952, gave his approval to the permit.

Before Mr. Cato Sells executed these two permits, the following statement was incorporated in each of the documents: "I hereby accept the foregoing permit and agree to abide by all its terms and conditions." These permits also contain the following wording:

"PAYMENT OF ROYALTIES: Remittances for tribal royalties are to be made payable to the Treasurer of the United States and mailed to Window Rock, Arizona, for deposit to Navajo Tribal Funds."

Memo to Mr. Jones
Subj: Indebtedness, Cato Sells to Tribe

22 August 1958
Page 2

As set forth in these permits, it is the responsibility of the Bureau of Indian Affairs to make collection of these royalties. The royalty payments payable under any of these permits were not collected, and it is found their being now due is attributed to the fact that there has been improper or lack of administrative action by the Bureau, thus jeopardizing the interests of the Navajo Tribe. The Tribe would be in a very advantageous position to demand from the government compensation for any such monies not collected.

As stated above, the parties to these two mining permits were the Advisory Committee, the Area Office, and Mr. Cato Sells. It would, therefore, follow that if any of the terms and/or conditions of these mining permits are to be suspended, modified, or changed in any way, it should be done through the actions of these same parties.

It is, therefore, recommended this matter be given to the Tribal Mining Department with a request that all necessary material be assembled, proper parties contacted, and the subject be presented to the Advisory Committee at its next regular session for appropriate disposition. The recommendations of the Advisory Committee, then, should be submitted to the Navajo Agency, which in turn should bring the matter to the attention of the Area Office for final disposition.

It is the opinion of this office that the above-recommended procedure would be consistent with past practices involving matters of this nature, and with the authority vested on the Advisory Committee by the Navajo Tribal Council.

This procedure would also take into account the participation by the Bureau of Indian Affairs in granting mining permits on tribal lands.

J/ C. Lawrence Huerta

Assistant General Counsel

cc: J. Maurice McCabe, Executive Secretary
Navajo Agency Branch of Realty
Navajo Tribal Mining Department
C-Huerta
CF

CLHUERTA:jh:8/22/58d

12 August 1958

Mr. Paul Jones, Chairman
Navajo Tribal Council
Window Rock, Arizona

Re: AEC Bonus Payments

Dear Mr. Jones:

In reference to the amount which I owe to the Navajo Tribe thus far, I will propose to make the final payment within the calendar year of 1958.

I do not have a fixed income, therefore, I cannot make any proposed agreement to specify any specific payments; but I will finish the final payment within the calendar year of 1958 as I stated before.

I hope this will be a satisfactory agreement.

Very truly yours,

Cato Sells

CS:pmn

cc: CF
Chrono

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF INDIAN AFFAIRS
Navajo Agency, Branch of Realty
Window Rock, Arizona

July 18, 1958

~~Mr. Cato Sells, C#30998~~

~~901 Buena Vista Avenue~~

~~Farmington, New Mexico~~

Dear Sir:

Your Navajo Tribal Mining Permit No. 56, will
expire ~~August 6, 1958~~.

If you want the permit renewed you must file written request for renewal with the Navajo Agency Branch of Realty before it expires.

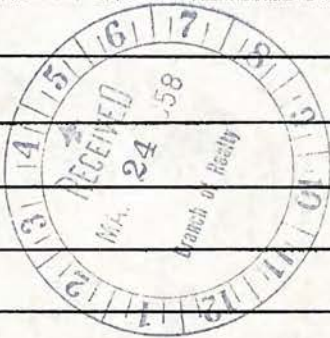
Request for renewal of your mining permit must be accompanied by a sworn statement showing amounts spent in development and explorative work as required by the terms of the permit. If the permit is assigned, such report must be furnished by the Assignee.

Sincerely yours,

FOR

M. D. Long
Agency Realty Officer
Chief, Branch of Realty

NAVAJO AGENCY
Route Sheet

<u>Subject</u> Letter to Mr. Cato Sells re: Indebtedness to the Navajo Tribe			<u>Attachments</u> Mining Permit No. 56 file.		
Route to	Released		COMMENTS		
	Initial	Date			
1. Realty	MBR	3-21			
2. Gen. Superintendent	SWG	3/24			
3. Realty	RFC	3/24			
4.					
5.					
6.					
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8.					
9.					
10.					
<p align="center"><u>Originator's instructions for final disposition</u></p> <p align="center">RETURN TO REALTY FOR MAILING</p>					
2. Signature		___ See me		___ Prepare reply for your signature	
___ Comment & return		___ Information		___ Follow-up action or ___	
1. Review		___ Prepare reply for ___		___	
___ Concurrence & surname		___ Prepare reply for my signature		___	

Originator Curry-Realty Phone 22793 Date 3/21/58

Resources-Realty
Minerals

File Copy
Surname

Paul Jones

MAR 24 1958

Mr. Cato Sells
901 Buena Vista Avenue
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to your letter of March 10, 1958, to Mr. Paul Jones, Chairman of the Navajo Tribal Council enclosing Cashier's check for \$1,500.00, to replace your check mailed to us December 24, 1957, which was returned to this office on account of insufficient funds in your account. A copy of your letter to Mr. Jones has been furnished this office together with a copy of his reply to you dated March 20, 1958.

Your remarks in regard to payment of indebtedness to the Navajo Tribe for A. E. C. bonuses has been noted. At the present time the amount of \$2,357.63 is due, in accordance with monthly statements received from the Atomic Energy Commission.

For your information Resolution ACJ-26-57 approved January 14, 1958, of the Advisory Committee in regard to eliminating payment of the 10% bonus to the Navajo Tribe by Navajo permittees is not retroactive and does not apply to your permits. The resolution states in part as follows: ***This provision is not retroactive but will be effective on all mining permits issued subsequent to final approval of the Secretary of the Interior or his authorized representative.*** (Underscoring ours)

In regard to payment of your present indebtedness to the Navajo Tribe it is suggested that you submit a proposed schedule of payments with the amount to be paid and date of payment, for our consideration. We will be glad to cooperate with you in any way possible so that the above stated indebtedness can be paid, but we must insist that all indebtedness be completely liquidated during this calendar year.

Sincerely yours,

(Sgd.) G. Warren Spaulding
General Superintendent

cc: Paul Jones

Realty, Chrono, M/F RCURRY 3/21/58

Mr. Long
M & L

20 March 1958

Mr. Gato Sells
901 N. Buena Vista Ave.
Farmington, New Mexico

Re: AEC Bonus Payments

Dear Mr. Sells:

We appreciate very much your letter of March 10, 1958 relative to your AEC bonus payments and the action you have taken to cover your check of December 24, 1957. This will certainly go a long ways in proving and upholding the dignity of our Navajos in the payment of their debts.

Although we appreciate and welcome any letters which you might wish to send concerning this matter, it will, nevertheless, be necessary for you to submit in writing to the General Superintendent your request. Any negotiations found necessary to be carried out must be done with the Navajo Agency.

If you desire a tribal representative to sit in on any negotiations or discussions which you might have with the Agency personnel, we will be most happy to make such arrangements.

Best regards.

Sincerely yours,

S/ Paul Jones

Chairman
Navajo Tribal Council

cc: M. D. Long, Realty
K. N. Garard, Mining
J. Maurice McCabe, Executive Secretary
Laurence A. Davis, Assistant General Counsel
G. Warren Spaulding, General Superintendent
files/legal
chrono/legal
chrono (Jones)
records

CLHUERTA: th: 3/20/58

March 10, 1958

To - Mr. Paul Jones
Chairman of the Navajo Tribal Council
Window Rock, Arizona

Subject - AEC Bonus Payments

Dear Mr. Jones:

Pursant to the subject matter above captioned, the following is humbly submitted herewith.

Enclosed a copy of this letter to the Realty Office together with a cashiers check in amount of \$1,500.00 of which will cover the check I sent to them December 24, 1957.

I have agreed to take care of this indebttness in the calender year of 1957, but do to unforeseen circumstances and lack of cooperation from Window Rock, I could not meet it. Perhaps it was not their intention.

Last November 1957, I applied for a new permit hoping that it would develop and help to pay some of the money owed to the tribe. The Realty Office promised me that they would expedite the same as soon as possible, but the Superintendent did not see fit to O.K the permit, consequently that put me in a bad situation as I was counting on it very much.

I spent a lot of time and money developing the Monument Valley Property hoping to ship enough ore to pay off the entire debt. But the mine Inspector reported to Mr. Gerard that the mine was not safe to work so it was closed down. This made it necessary to remove all the equipment off the property at least for the winter.

In the meantime I was doing some drilling on my Oak Spring property and doing some dead work. I have not shipped anything since January 15, 1958. It will be sometime before I get to ship anything. Since the Resolution of the Advisory Committee No. ACJ-36-57 has been approved by the Indian Office on September 19, 1957. Knowing this fact and in as much as I want to pay this debt off as soon as possible, but since I

NAVAJO AGENCY
WINDOW ROCK, ARIZONA

R

MAR 12 1958

D

AM 7:41 PM 4:56

McGinnis

have so much dead work, and will be sometime before I can get any return. I would like to ask you if you would it be alright to pay the balance in the calender year of 1958.

Another thing that I would like to ask the Realty Office is to check into their records to see if they are charging me with some of the payments made after the resolution was approved. Because the amount that they are asking now is larger then the amount in November 1957.

I appreciate you consideration and cooperation in this matter.

Yours truly

Cato Sells

Resources-Realty
Minerals

January 20, 1958

File Copy

Summary

Mr. Cato Sells
P. O. Box 253
Farmington, New Mexico

Dear Mr. Sells:

Your unnumbered check dated December 24, 1957, drawn on The First National Bank of Farmington, New Mexico, in the amount of \$1,500.00, has been returned to this office marked "Insufficient Funds". The above was payment to the Navajo Tribe for A. E. C. bonus.

Please forward by return mail by Cashier's check or U. S. Postal Money Order the amount of \$1,500.00, to cover the aforementioned check. Upon receipt of the above payment your check will be returned to you.

Sincerely yours,

(Sgd) W. Claire Harris

Acting Chief, Branch of Realty
(Sgd) W. Claire Harris

cc: Realty ✓
Chrono
M/F
Collection Officer

RCURRY 1/20/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

58



58



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
NAVAJO AGENCY
WINDOW ROCK, ARIZONA

IN REPLY REFER TO:

Resources-Realty
Minerals

November 25, 1957

Mr. Cato Sells, C#30998
P. O. Box 253
Farmington, New Mexico

Dear Mr. Sells:

This will refer to proposed Navajo Tribal Mining Permit in your favor covering 209.66 acres located in Apache County, Arizona, which was recommended for approval by the Advisory Committee of the Navajo Tribal Council on November 7, 1957 on the understanding that your indebtedness to the Navajo tribe covering 10% of your bonus payments received from the Atomic Energy Commission would be liquidated on or before the end of the 1957 calendar year.

You are advised that the General Superintendent has declined to approve this permit for you until your indebtedness to the Navajo tribe is liquidated.

Sincerely yours

R. C. Clark
for Realty Officer 12-24-57

Inclosed herewith a check in amount of \$1500.00 to be applied on account. Please advise me the balance so that I can get it all settled.

*Sincerely yours
Cato Sells*

Resources-Realty
Minerals

56
M.P.
OCT 7 - 1957

File Copy

Surname

Longer

Hyatt

Adams

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to your indebtedness to the Navajo Tribe for 10% of Atomic Energy Commission bonuses paid to you under your Navajo Tribal Mining Permits.

In accordance with the discussions held in June of this year between yourself and various Bureau and Tribal officials it was agreed that you would make an initial deposit immediately and that the balance of this indebtedness would be paid before the end of this year. You remitted \$1,000.00 to us with your letter of July 16, 1957 but no further payments have been received from you, and this is to remind you that we shall expect payment in full of this indebtedness before the end of this year.

Sincerely yours

sen. A. B. Colliflower

cc: ☒ Realty
Chrono.
M/F
RJCRYER

Acting General Superintendent

THE NAVAJO TRIBE

WINDOW ROCK, ARIZONA

PAUL JONES, CHAIRMAN
NAVAJO TRIBAL COUNCIL

SCOTT PRESTON
VICE-CHAIRMAN

4 October 1957

J. MAURICE MCCABE
SECRETARY-TREASURER

Memorandum

To : Mr. A. H. Harris, Chief, Branch of Realty
From : Assistant General Counsel
Subject : Letter to Mr. Sells in re his indebtedness for
10% of AEC bonuses paid him under his mining
permits -

The purpose of the attached letter, in our opinion, is to develop a policy to be followed in mining matters of this type which might arise in the future. It, therefore, follows that any ramifications that this proposed action might bring will establish a mining policy which may be used in similar cases. For this reason, it is felt by this office that the Tribal Mining Department's views, either for or against the contemplated steps proposed here, should be obtained before the Chairman of the Navajo Tribal Council is requested to surname any of the attached papers.

We are giving our approval at this time, subject to the clearance from the Mining Department, as mentioned above.

C. Lawrence Huerta
C. Lawrence Huerta

Attachment

H:h

cc: K. N. Garard

*If the tribe isn't
willing to enforce them,
why do they have so
many mining regulations?
~~Don't know~~*

C O P Y

C O P Y

C O P Y

Box 253
Farmington, N. Mex.
July 16, 1957

Mr. Thomas Lynch
Branch of Realty
Window Rock, Arizona

Dear Mr. Lynch:

Enclosed please find a check in the amount of \$1,000.00 payable to the Bureau of Indian Affairs in payment of bonus royalty as per our agreement. Our agreement was that the balance would be paid at the end of the calendar year.

Lawrence's permit has been approved and should have been sent by now. We should appreciate your taking care of it as soon as possible.

Sincerely yours,

(sgd) Cato Sells
by Vera Mae Leuppe

The above letter received by Navajo Agency
on July 17, 1957.

File Copy
Surname

JUN 21 1957

Harris

Certified Mail
Return Receipt Requested

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

In accordance with the discussions held recently between yourself and various Bureau and Tribal officials regarding the payment of monies due the Navajo Tribe, it is requested that you forward to the Branch of Realty Office the agreed initial payment and a duly executed affidavit setting forth all previously agreed terms.

If the agreed initial payment and a properly executed affidavit are not forthcoming, you must appear within thirty days from the receipt of this letter and show cause as to why your mining permit No. 56 should not be cancelled.

Your failure to respond favorably to this matter will result in the cancellation of your permit at the termination of the above-mentioned thirty days.

Sincerely yours,

(Sgd.) G. Warren Spaulding

General Superintendent

AHHarris/rs 6/20/57

cc: Mr. Garard
✓ Realty
Chrono
M & F

Office Memorandum • UNITED STATES GOVERNMENT

TO : General Superintendent, Navajo Agency *SWG* DATE: June 10, 1957
 Through: Asst Gen'l Superintendent (Resources) *KWD*
 FROM : Branch of Realty, Navajo Agency *6/11/57*
 SUBJECT: Cato Sells

On Monday, June 3, 1957, Messrs. Cato Sells, Lawrence C. Huerta, Thomas Lynch, and I met in my office to discuss Cato Sells' problem of the Tribe's Atomic Energy Commission bonus due the Navajo Tribe.

Cato Sells proposed to pay, on that date, \$1,000.00 as an initial down payment, but the idea was not acceptable to us since the proposition was all verbal. Mr. Sells stated that if he paid the \$1,000.00, the letter pending the signature of the Chairman of the Navajo Tribal Council and the General Superintendent to cancel his mining permit should be withheld from mailing.

Mr. Sells was informed that the letter would be signed and mailed to him, making it a matter of record. He was told also that he should reply within 30 days, stating, in writing, the proposition he made orally. This is to be accompanied by a \$1,000.00 partial payment. The letter is to provide for payment of the balance owing the Navajo Tribe by the end of the calendar year.

It was agreed that upon receipt of the \$1,000.00 payment the proposed agreement would be submitted to the Advisory Committee for acceptance or rejection.

We are awaiting the return of the letter which is to be signed by you and the Chairman for mailing to Mr. Sells.

A. H. Harris
 A. H. Harris, Chief
 Branch of Realty

Note:- The letter has not reached me. (6/11/57)

SWG

This particular letter never got past the chairman. He returned same without signing it, so a new letter was prepared and signed by Supt. 7-11-57 which Sells acknowledged receipt 7-11-57 by registered mail.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
NAVAJO AGENCY
WINDOW ROCK, ARIZONA

IN REPLY REFER TO:

Resources - Realty
Minerals

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

In accordance with the discussions held ~~last week~~ ^{recently} between yourself and various Bureau and Tribal officials regarding the payment of monies due the Navajo Tribe, it is requested that you forward to the Branch of Realty Office the agreed initial payment and a duly executed affidavit setting forth all previously agreed terms.

If the agreed initial payment and a properly executed affidavit are not forthcoming, you must appear within ~~the next fifteen~~ ^{thirty} days from the receipt of this letter and show cause as to why your mining permit No. 56 should not be cancelled.

Your failure to respond favorably to this matter will result in the cancellation of ~~your~~ ^{your} permit at the termination of the above-mentioned ~~fifteen~~ ^{thirty} days.

Sincerely yours,

~~Chairman, Navajo Tribal Council~~

✓
~~General Superintendent~~

U. S. DEPARTMENT OF INTERIOR
BUREAU OF INDIAN AFFAIRS
NAVAJO AGENCY, BRANCH OF REALTY
WINDOW ROCK, ARIZONA

Resources - Realty
Minerals

Lynch
Long, Acting
Garard
Huerta

Rewritten by: ICHuerta

File Copy

Surname

Lynch
Long
Garard
Huerta
Huerta

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

In accordance with the discussions held last week between yourself and various Bureau and Tribal officials regarding the payment of monies due the Navajo Tribe, it is requested that you forward to the Branch of Realty Office the agreed initial payment and a duly executed affidavit setting forth all previously agreed terms.

If the agreed initial payment and a properly executed affidavit are not forthcoming, you must appear within the next fifteen days from the receipt of this letter and show cause as to why your mining permit No. 56 should not be cancelled.

Your failure to respond favorably to this matter will result in the cancellation of said permit at the termination of the above mentioned fifteen days.

Sincerely yours,

Chairman, Navajo Tribal Council

General Superintendent

AHHarris/dw 5-15-57

cc: Realty (2)
Chrono
M & F
Mr. Garard

DRAFT
CLH: jh:6/11/57

D
R
A
F
T

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

In accordance with the discussions held last week between yourself and various Bureau and Tribal officials, ~~regarding~~ concerning the payment of monies due the Navajo Tribe, it is requested that you forward to the Branch of Realty Office the agreed initial payment and a duly executed affidavit setting forth all previously agreed terms.

If the agreed initial payment and a properly executed affidavit are not forthcoming, you must appear within the next 15 days from the receipt of this letter and show cause as to why your mining permit No. 56 should not be cancelled.

Your failure to respond favorably to this matter will result in the cancellation of said permit at the termination of the above mentioned 15 days.

Sincerely yours,

Chairman, Navajo Tribal Council

General Superintendent

U. S. DEPARTMENT OF INTERIOR
BUREAU OF INDIAN AFFAIRS
NAVAJO AGENCY, BRANCH OF REALTY
WINDOW ROCK, ARIZONA

General Superintendent, Navajo Agency
Through: Asst Gen'l Superintendent (Resources)

June 10, 1957

Branch of Realty, Navajo Agency

Cato Sells

On Monday, June 3, 1957, Messrs. Cato Sells, Lawrence C. Huerta, Thomas Lynch, and I met in my office to discuss Cato Sells' problem of the Tribe's Atomic Energy Commission bonus due the Navajo Tribe.

Cato Sells proposed to pay, on that date, \$1,000.00 as an initial down payment, but the idea was not acceptable to us since the proposition was all verbal. Mr. Sells stated that if he paid the \$1,000.00, the letter pending the signature of the Chairman of the Navajo Tribal Council and the General Superintendent to cancel his mining permit should be withheld from mailing.

Mr. Sells was informed that the letter would be signed and mailed to him, making it a matter of record. He was told also that he should reply within 30 days, stating, in writing, the proposition he made orally. This is to be accompanied by a \$1,000.00 partial payment. The letter is to provide for payment of the balance owing the Navajo Tribe by the end of the calendar year.

It was agreed that upon receipt of the \$1,000.00 payment the proposed agreement would be submitted to the Advisory Committee for acceptance or rejection.

We are awaiting the return of the letter which is to be signed by you and the Chairman for mailing to Mr. Sells.

Sgd. A. H. Harris

A. H. Harris, Chief
Branch of Realty

cc: Chairman, NTC
✓ Mr. Huerta
Realty
Chrono
M & F



W. W. Spaulding

June 3, 1957

Mr. Paul Jones
Chairman
Navajo Tribal Council
Window Rock, Arizona

Dear Mr. Jones:

Following our meeting in your office the morning of June 3, I met with Mr. A. H. Harris, Chief, Branch of Realty, and his assistant, Mr. Tommy Lynch. I again explained to them the hardship that the present rules and regulations with respect to the additional 10% required of Navajos was causing my mining operations. They agreed fully with my justifications but suggested that before anything could be done, it would be necessary to have the present regulation on this subject repealed. Therefore, in behalf of myself and all other Navajos who find themselves in the same dilemma as I do, I strongly recommend that appropriate action be taken to repeal this portion of our mining regulations. For justification of this request, I can submit my personal experience. In conducting mining operations, large amounts of money have to be invested before any benefits are realized. In many instances, the payment of this additional 10% AEC bonus means the difference between shutting down and proceeding to develop of natural resources. In addition to this particular hardship, I can point out as justification for the Navajo Tribe to encourage Navajos to develop their own resources. // ?

The proposed change in our present mining regulations would not mean the stoppage of any appreciable amount of income to the Tribe for it would only affect Navajos conducting their own mining operations. You may refer to my letter of April 15 of this year for any further justifications. I stand ready to appear before the Advisory Committee upon request when this matter is being considered to personally set forth in detail any clarification that might be needed.

I told Mr. Sells that his justifications merited a consideration, but that until existing regulations were changed we would follow them fully, without exception.

A. H. Harris

Sincerely yours,

/s/ Cato Sells

Cato Sells

Farmington, New Mexico
April 15, 1957

Mr. Paul Jones
Chairman
Navajo Tribal Council
Window Rock, Arizona

Dear Paul:

Reference is made to the conversation which I had with you a couple of weeks ago with respect to the Tribe attempting to charge 10% of the production bonus realized from the mining of uranium ore. Pursuant to your suggestion, I am writing this letter.

I do not feel that it is fair for a Navajo who is engaged in one field of endeavor to be penalized, when Navajos engaged in other occupations are subsidized or given outright gifts. Navajos engaged in the occupation of stock raising do not pay anything for grazing rights and have had outright gifts of feed for their animals. Navajos engaged in other occupations and businesses pay no taxes or percentage of gross receipts whatsoever. Also, the water assessment of those Navajos engaged in farming has been guaranteed by the Tribe, and coal miners are only charged a royalty of 10¢ a ton.

By way of making my position clear, I want it understood that I am not objecting to paying the present royalty of 10-20% for uranium ore mined. However, I do not feel that it is fair that the Tribe should share in any production bonuses paid, as the production bonus is a payment to add to the incentive for mining uranium ore. By virtue of the fact that the Tribe is claiming a share of this incentive bonus, they are, in fact, reducing and destroying the incentive to mine ore sufficient to warrant the payment of a production bonus.

Any action which you can take to rectify the situation would be greatly appreciated.

Very truly yours,

Cato Sells

RESOLUTION OF THE
ADVISORY COMMITTEE OF THE
NAVAJO TRIBAL COUNCIL

Amendment to Resolution No. ACS-80-51

WHEREAS:

1. Tribal Council Resolution No. CM-3-51, adopted on March 22, 1951, authorized the Advisory Committee of the Navajo Tribal Council to adopt regulations governing all mining operations on Navajo Tribal lands as in its discretion would be in the best interests of the Navajo Tribe and the individual members thereof, and

2. Pursuant to the authority granted by the Tribal Council, the Advisory Committee has adopted certain mining regulations, applicable to both Navajos and non-Navajos alike, included in which is Advisory Committee Resolution ACS-80-51, adopted September 19, 1951. Paragraph entitled "Bonuses", under Section 4 of said resolution provides as follows:

"Bonuses

There shall be paid, as additional royalty 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore."

3. This provision on its present form is applicable to non-Navajo as well as Navajo operator. It is the intention of the Advisory Committee to encourage, whenever possible, Navajos to operate their own mining

properties. One of the principal deterrents is the lack of investment capital on the part of individual Navajos. It is with this thought in mind that an amendment excusing Navajo mine operators from the ten (10%) per cent payment of the above paragraph is hereby recommended.

NOW THEREFORE BE IT RESOLVED THAT:

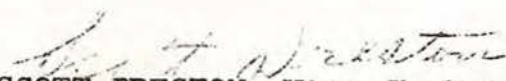
1. Paragraph entitled "Bonuses" of Section 4, providing for the payment of royalties in Resolution ACS-80-51 is hereby amended to read as follows:

"There shall be paid by all operators other than Navajos, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore."

2. The intentions of the Advisory Committee in amending the above paragraph is to encourage Navajos to work in developing their own mineral resources. This provision is not retroactive but will be effective on all mining permits issued subsequent to final approval by the Secretary of the Interior or his authorized representative.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Advisory Committee of the Navajo Tribal Council at a duly called meeting at Window Rock, Arizona, at which a quorum was present and that same was approved by a vote of 9 in favor and 0 opposed, this 12th day of June, 1957.


SCOTT PRESTON, Vice Chairman
Navajo Tribal Council

U. S. DEPARTMENT OF INTERIOR
BUREAU OF INDIAN AFFAIRS
NAVAJO AGENCY, BRANCH OF REALTY
WINDOW ROCK, ARIZONA

General Superintendent, Navajo Agency
Through: Asst Gen'l Superintendent (Resources)

June 10, 1957

Branch of Realty, Navajo Agency

File Copy
Surname

Cato Sells

On Monday, June 3, 1957, Messrs. Cato Sells, Lawrence C. Huerta, Thomas Lynch, and I met in my office to discuss Cato Sells' problem of the Tribe's Atomic Energy Commission bonus due the Navajo Tribe.

Cato Sells proposed to pay, on that date, \$1,000.00 as an initial down payment, but the idea was not acceptable to us since the proposition was all verbal. Mr. Sells stated that if he paid the \$1,000.00, the letter pending the signature of the Chairman of the Navajo Tribal Council and the General Superintendent to cancel his mining permit should be withheld from mailing.

Mr. Sells was informed that the letter would be signed and mailed to him, making it a matter of record. He was told also that he should reply within 30 days, stating, in writing, the proposition he made orally. This is to be accompanied by a \$1,000.00 partial payment. The letter is to provide for payment of the balance owing the Navajo Tribe by the end of the calendar year.

It was agreed that upon receipt of the \$1,000.00 payment the proposed agreement would be submitted to the Advisory Committee for acceptance or rejection.

We are awaiting the return of the letter which is to be signed by you and the Chairman for mailing to Mr. Sells.

Sgd. A. H. Harris

A. H. Harris, Chief
Branch of Realty

cc: Chairman, NTC
Mr. Huerta
Realty ✓
Chrono
M & F

Office Memorandum • UNITED STATES GOVERNMENT

TO : General Superintendent, Navajo Agency

DATE: June 7, 1957

FROM : Branch of Realty, Navajo Agency

SUBJECT: Cato Sells

On Monday, June 3, 1957, Messrs. Cato Sells, Lawrence C. Huerta, Thomas Lynch, and I met in my office to discuss Cato Sells' problem of the Tribe's Atomic Energy Commission bonus due the Navajo Tribe.

Cato Sells proposed to pay, on that date, \$1,000 as an initial down-payment, but the idea was not acceptable to us since the proposition was all verbal. Mr. Sells stated that if he paid the \$1,000, the letter pending the signature of the Chairman of the Navajo Tribal Council and the General Superintendent to cancel his mining permit, ^{sh} would be withheld from mailing.

Mr. Sells was informed

It was finally agreed that the letter, ~~held by the Chairman~~ would be signed and mailed to ~~Mr. Sells~~ ^{him} ~~to which~~ ^{so} ~~he would reply within 30 days~~ ^{making it a matter of record. He was told also, that} ~~with~~ ^{stating, in writing,} ~~the proposition he orally~~ ^{made this ~~is~~ to be} ~~accompanied by a \$1,000~~ ^{partial} ~~payment.~~ ^{payment.} The letter is to ~~provide for payment of the~~ ^{owing} ~~proposition was to include that the balance of the amount due the Navajo~~ ~~Tribe would be paid by the end of the calendar year.~~

It was agreed that upon receipt of the ~~first installment with the~~ ^{\$1,000.00 payment} ~~proposed~~ ^{proposed} agreement, ~~same~~ ^{it} would be submitted to the Advisory Committee for ~~confirmation.~~ ^{acceptance or rejection.}

We are ~~still~~ awaiting the return of the letter, ^{which is} ~~to be signed by you~~ and the Chairman for mailing to Mr. Sells.

A. H. Harris, Chief
Branch of Realty

Resources:
Realty

Navajo Agency
Window Rock, Arizona

File Copy

Surname

Clark

Aug 22 1956

Aug 22 1956

Aug 22 1956

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Pursuant to your requests for renewal of your Mining Permit No. 56 and the survey description of the Oak Springs claim contained therein be corrected, and the approvals thereof by the Advisory Committee on August 14, 1956, your mining permit is hereby renewed for an additional two-year term from August 6, 1956, which date is the expiration date of the second two-year term of Mining Permit No. 56, subject to the condition that you pay the Navajo Tribe the balance due on the Atomic Energy Commission production bonus payments which, according to letter addressed to you dated August 2, 1956, by the Chairman of the Navajo Tribal Council, is due not later than the end of this calendar year.

You are further advised that the survey description of your Oak Springs claim, as evidenced by a map and description thereof dated Jan. 1955, submitted to the Advisory Committee on August 14, 1956, is hereby corrected to be in conformity with said map and description as follows:

"The point of beginning being corner No. 1 which from the Arizona-New Mexico boundary marker Mile Post #17 $\frac{1}{2}$ bears S32° 43'W., 597.80 ft; from corner No. 1 by metes and bounds; N53° 25'W., 1,500 ft. to corner No. 2; S36° 35'W., 600 ft. to corner No. 3; S. 53° 25'E., 1,500 ft. to corner No. 4; N36° 35'E., 600 ft. to corner No. 1, the point of beginning. The tract as described contains 20.66 acres, more or less."

Yours very truly,

/s/ PAUL JONES

Chairman, Navajo Tribal Council

(Sgd.) K. W. Dixon

Acting General Superintendent

cc: Realty; chrono.; m/f
USGS, Carlsbad, New Mexico
Kerr-McGee Oil Industries, Shiprock, N.M.

TL/ajh:8/20/56

ACTION OF ADVISORY COMMITTEE

Name of Applicant Cato Sells

Address _____

SUBJECT Application dated August 14, 1956

Information and Remarks: for correction of Oak Springs property to have the survey description read in conformity with re-survey thereof made in Jan. '55.

ACTION OF ADVISORY COMMITTEE DATE 8-14-56

Recommended for approval for the following reasons
and or subject to the following conditions, by a vote of 8 for and
0 against.

Scott Preston
Chairman of Committee

REMARKS OR SUBSEQUENT ACTION:

Farmington, New Mexico
14 August, 1956

Advisory Committee
Navajo Tribal Council
Window Rock, Arizona

Dear Mr. Tom Lynch,

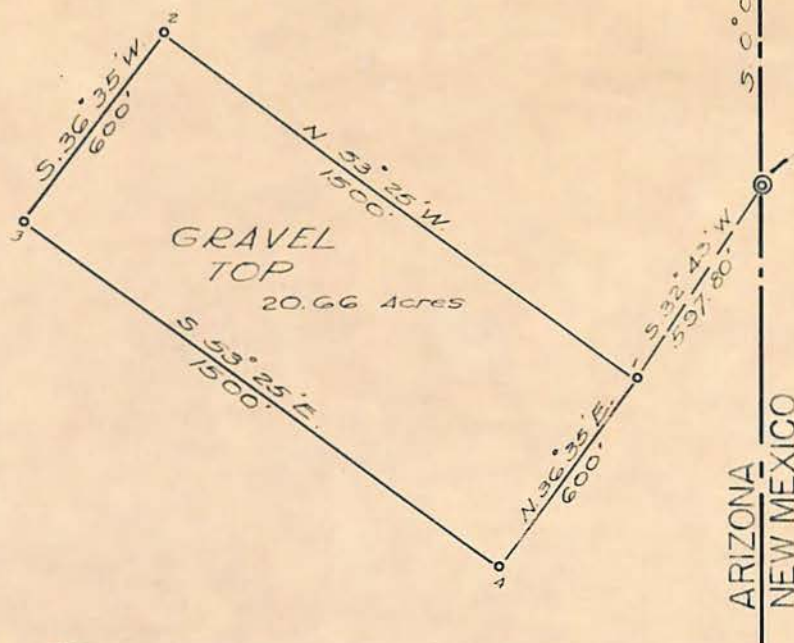
I am submitting a resurvey description of my Oak Spring Property for committee consideration. Would appreciate their early action. Also would appreciate the committee action on Oak Spring extension as I am submitting both plots.

Yours truly,

Cato Sells

Cato Sells

RECEIVED
AUG 14 1956
BRANCH OF REALTY
tl



State line Milepost
No 17 1/2, U.S. General
Land Office marker

DESCRIPTION

The point of beginning being corner No. 1, which from the Arizona-New Mexico boundary marker, Mile post 17 1/2, bears S. 32° 43' W, 597.80'

from corner No. 1 by metes and bounds,

N 53° 25' W, 1500' to cor. No. 2;
S 36° 35' W, 600' to cor. No. 3;
S. 53° 25' E, 1500' to cor. No. 4;
N 36° 35' E, 600' to cor. No. 1,
the place of beginning.

The tract as described contains
20.66 Acres, more or less.



Surveyed by: Ernest V. Echshawk
Ernest V. Echshawk
Registered Land Surveyor
Arizona Reg. No. 2317

RECEIVED
AUG 14 1956
BRANCH OF REALTY

CATO SELLS	
GRAVEL TOP CLAIM SURVEY, OAK SPRINGS, ARIZONA.	
APACHE CO., ARIZONA	SCALE 1"=500' JANUARY '55

June 3, 1957

Mr. A. A. Harris
JPH
6/3/57
T.C.
64-57

Mr. Paul Jones
Chairman
Navajo Tribal Council
Window Rock, Arizona

Dear Mr. Jones:

Following our meeting in your office the morning of June 3, I met with Mr. A. H. Harris, Chief, Branch of Realty, and his assistant, Mr. Tommy Lynch. I again explained to them the hardship that the present rules and regulations with respect to the additional 10% required of Navajos was causing my mining operations. They agreed fully with my justifications but suggested that before anything could be done, it would be necessary to have the present regulation on this subject repealed. Therefore, in behalf of myself and all other Navajos who find themselves in the same dilemma as I do, I strongly recommend that appropriate action be taken to repeal this portion of our mining regulations. For justification of this request, I can submit my personal experience. In conducting mining operations, large amounts of money have to be invested before any benefits are realized. In many instances, the payment of this additional 10% AEC bonus means the difference between shutting down and proceeding to develop of natural resources. In addition to this particular hardship, I can point out as justification for the Navajo Tribe to encourage Navajos to develop their own resources. ? *

The proposed change in our present mining regulations would not mean the stoppage of any appreciable amount of income to the Tribe for it would only affect Navajos conducting their own mining operations. You may refer to my letter of April 15 of this year for any further justifications. I stand ready to appear before the Advisory Committee upon request when this matter is being considered to personally set forth in detail any clarification that might be needed.

Sincerely yours,

* I stated that his suggestions merited consideration but, that until existing regulations were changed, we must follow them without exception.

/s/ Cato Sells
Cato Sells

A. Harris

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Branch of Realty

FROM : Realty Assistant, Minerals Section

SUBJECT: Cato Sells' Mining Permit No. 56.

DATE: May 14, 1957

Attached are copies of your letter dated March 18, 1957 to Mr. Cato Sells and Mr. Spaulding's letter dated April 24, 1957, by certified mail requesting remittance of the Navajo Tribe's share of the Atomic Energy Commission bonuses. Mr. Spaulding's letter gave Mr. Sells ten days from date of receipt of the letter, which he received April 26, 1957, to remit the amount requested or furnish this office with a statement explaining why he thinks that the Navajo Tribe should not receive its share of the Atomic Energy Commission bonuses.

Since the ten days have elapsed and we have not heard from Mr. Sells, I am forced to state that I have exhausted all means within my position in acting towards collecting the Navajo Tribe's share of the bonuses so therefore, I offer a few suggestions:

Since April 24, 1957, Mr. Sells has received another bonus in the amount of \$699.24, making a total of \$4,325.78 due the Navajo Tribe to date.

Approximately a year ago, this office encountered the same difficulty with Mr. Sells regarding his reluctance to remit the Navajo Tribe's share of the production bonuses, fortunately, we were able to collect after threatening denial of renewing his mining permit.

Under the terms and conditions of the Navajo Tribal Mining Permit, Paragraph 4 states:

CANCELLATION AND FORFEITURE: When, in the opinion of the Area Director, there has been a violation of any of the terms and conditions of the permit, the Area Director will have the right at any time after 30 days notice to the permittee, specifying the terms and conditions violated, and after hearing, if the permittee shall so request within 30 days of receipt of notice, to declare this permit null and void, and if any royalties or other obligations are due the Navajo Tribe, to take appropriate action to see that such obligations are fulfilled.

It is quite obvious that Paragraph 4 of the permit should be invoked due to his violation of the following paragraph given on page 2 of the Permit:

BONUSES: There shall be paid as additional royalty, 10 per cent of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses on the initial production of uranium

MEMORANDUM to Chief, Branch of Realty

May 14, 1957

ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore.

Theoretically, it is doubtful that if cancellation of Mr. Sells' mining permit were enforced, the problem of collecting the Navajo Tribe's share of Atomic Energy Commission bonuses would not be solved.

However, if all four (4) of his mining permits were to be cancelled without considering the fact that the certain mining permit has unnecessarily jeopardized the other three (3) permits, perhaps then he may realize that he is no exception insofar as complying with the tribal mining regulations is concerned. Indian permittees are not required to post surety bonds when they obtain mining permits.

If this matter of an uncollectible item were left entirely up to the Tribe, and since there is no responsible position in the tribal organization to enforce collection of said item, the Bureau remains to be looked upon to enforce the collection in spite of the fact that the Tribe established by resolutions, certain requirements which Mr. Sells agreed and accepted to abide by and same having satisfied the Navajo Tribe, the Area Director approved his mining permit.

The particular permit involved herein averages a monthly royalty of \$509.00 to the Tribe while the other producing permit averages \$430.00 monthly, but the other two permits yet remain to benefit the Tribe in production royalties. It is upon the basis of these two producing permits that it is doubtful the Tribe will go along with the suggestion that these permits including the other two permits be cancelled.

In view of the foregoing, there is hardly any choice to deviate from this suggestion. My thought is that perhaps you can talk this matter over with the Tribal officials and the Superintendent or to initiate proceedings to cancel the permit directly involved or all of Mr. Sells mining permits as authorized under the terms and conditions of the permit.



Thomas Lynch
Realty Assistant

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

4-24-57

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to our letter of March 18, 1957 wherein you were advised that according to the Agency Realty records, the Atomic Energy Commission paid you production bonuses in the amount of \$38,905.47.

According to tribal mining regulations and the terms and conditions of your mining permit, you are to remit to the Navajo Tribe 10 per cent of the bonuses you received.

Recent information received from the Atomic Energy Commission revealed that during the month of March, 1957, you received \$3,653.10 as bonuses for production from your Mining Permit No. 56 which makes a total of \$4,255.86 due the Navajo Tribe as its share.

Will you please forward your check in the amount of \$4,255.86 made payable to the Bureau of Indian Affairs not later than 10 days from date of receipt hereof, or furnish this office with a statement explaining why you think that this amount is not due the Navajo Tribe.

Sincerely yours,

General Superintendent

TLynch/dw 4-12-57
Realty
Chrono
M/F

March 18, 1957

Mr. Cato Sells

Farmington, New Mexico

Dear Mr. Sells:

A periodic examination of our files reveals that you have been active in mining uranium-vanadium bearing ores from your Mining Permits Nos. 55 and 56 during the past year.

Information received from the Atomic Energy Commission also show that you received payment of bonuses for production of uranium bearing ores from said mining permits during the months of September, October, December, 1956 and February, 1957.

Of course, you are aware of our Navajo Tribal Mining Regulations which require you to remit 10 per cent of any Atomic Energy Commission bonus to the Navajo Tribe. During the above period mentioned, our records show that you received a total of \$33,905.47 as production bonuses from the Atomic Energy Commission of which the Navajo Tribe is to receive 10 per cent or \$3,390.55.

Will you please forward your check in the amount of \$3,390.55 made payable to the Bureau of Indian Affairs immediately, or furnish this office with a statement explaining the delay in payment.

Yours very truly,

A. H. Harris, Chief
Branch of Realty

TLynch/dw
Realty
Chrono
M/F

Chief, Branch of Realty

May 14, 1957

Realty Assistant, Minerals Section

File Copy
Surname

Cato Sells' Mining Permit No. 56.

Attached are copies of your letter dated March 18, 1957 to Mr. Cato Sells and Mr. Spaulding's letter dated April 24, 1957, by certified mail requesting remittance of the Navajo Tribe's share of the Atomic Energy Commission bonuses. Mr. Spaulding's letter gave Mr. Sells ten days from date of receipt of the letter, which he received April 26, 1957, to remit the amount requested or furnish this office with a statement explaining why he thinks that the Navajo Tribe should not receive its share of the Atomic Energy Commission bonuses.

Since the ten days have elapsed and we have not heard from Mr. Sells, I am forced to state that I have exhausted all means within my position in acting towards collecting the Navajo Tribe's share of the bonuses so therefore, I offer a few suggestions:

Since April 24, 1957, Mr. Sells has received another bonus in the amount of \$699.24, making a total of \$4,325.78 due the Navajo Tribe to date.

Approximately a year ago, this office encountered the same difficulty with Mr. Sells regarding his reluctance to remit the Navajo Tribe's share of the production bonuses, fortunately, we were able to collect after threatening denial of renewing his mining permit.

Under the terms and conditions of the Navajo Tribal Mining Permit, Paragraph 4 states:

CANCELLATION AND FORFEITURE: When, in the opinion of the Area Director, there has been a violation of any of the terms and conditions of the permit, the Area Director will have the right at any time after 30 days notice to the permittee, specifying the terms and conditions violated, and after hearing, if the permittee shall so request within 30 days of receipt of notice, to declare this permit null and void, and if any royalties or other obligations are due the Navajo Tribe, to take appropriate action to see that such obligations are fulfilled.

It is quite obvious that Paragraph 4 of the permit should be invoked due to his violation of the following paragraph given on page 2 of the Permit:

BONUSES: There shall be paid as additional royalty, 10 per cent of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses on the initial production of uranium

MEMORANDUM to Chief, Branch of Realty

May 14, 1957

ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore.

Theoretically, it is doubtful that if cancellation of Mr. Sells' mining permit were enforced, the problem of collecting the Navajo Tribe's share of Atomic Energy Commission bonuses would not be solved.

However, if all four (4) of his mining permits were to be cancelled without considering the fact that the certain mining permit has unnecessarily jeopardized the other three (3) permits, perhaps then he may realize that he is no exception insofar as complying with the tribal mining regulations is concerned. Indian permittees are not required to post surety bonds when they obtain mining permits.

If this matter of an uncollectible item were left entirely up to the Tribe, and since there is no responsible position in the tribal organization to enforce collection of said item, the Bureau remains to be looked upon to enforce the collection in spite of the fact that the Tribe established by resolutions, certain requirements which Mr. Sells agreed and accepted to abide by and same having satisfied the Navajo Tribe, the Area Director approved his mining permit.

The particular permit involved herein averages a monthly royalty of \$509.00 to the Tribe while the other producing permit averages \$430.00 monthly, but the other two permits yet remain to benefit the Tribe in production royalties. It is upon the basis of these two producing permits that it is doubtful the Tribe will go along with the suggestion that these permits including the other two permits be cancelled.

In view of the foregoing, there is hardly any choice to deviate from this suggestion. My thought is that perhaps you can talk this matter over with the Tribal officials and the Superintendent or to initiate proceedings to cancel the permit directly involved or all of Mr. Sells mining permits as authorized under the terms and conditions of the permit.


Thomas Lynch
Realty Assistant

TLynch/dw
Realty (2)
Chrono
M/F

File Copy

Surname

Resources-Realty
Minerals

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

APR 24 1957

Mr. Cato Sells ✓
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to our letter of March 18, 1957 wherein you were advised that according to the Agency Realty records, the Atomic Energy Commission paid you production bonuses in the amount of \$38,905.47.

According to tribal mining regulations and the terms and conditions of your mining permit, you are to remit to the Navajo Tribe 10 per cent of the bonuses you received.

Recent information received from the Atomic Energy Commission revealed that during the month of March, 1957, you received \$3,653.10 as bonuses for production from your Mining Permit No. 56 which makes a total of \$4,255.86 due the Navajo Tribe as its share.

Will you please forward your check in the amount of \$4,255.86 made payable to the Bureau of Indian Affairs not later than 10 days from date of receipt hereof, or furnish this office with a statement explaining why you think that this amount is not due the Navajo Tribe.

Sincerely yours,

(Sgd.) G. Warren Spaulding

General Superintendent

TLynch/dw 4-12-57

Realty

Chrono

M/F

rec'd
6-3-57
TP

Farmington, New Mexico
April 15, 1957

Mr. Paul Jones
Chairman
Navajo Tribal Council
Window Rock, Arizona

Dear Paul:

Reference is made to the conversation which I had with you a couple of weeks ago with respect to the Tribe attempting to charge 10% of the production bonus realized from the mining of uranium ore. Pursuant to your suggestion, I am writing this letter.

I do not feel that it is fair for a Navajo who is engaged in one field of endeavor to be penalized, when Navajos engaged in other occupations are subsidized or given outright gifts. Navajos engaged in the occupation of stock raising do not pay anything for grazing rights and have had outright gifts of feed for their animals. Navajos engaged in other occupations and businesses pay no taxes or percentage of gross receipts whatsoever. Also, the water assessment of those Navajos engaged in farming has been guaranteed by the Tribe, and coal miners are only charged a royalty of 10¢ a ton.

By way of making my position clear, I want it understood that I am not objecting to paying the present royalty of 10-20% for uranium ore mined. However, I do not feel that it is fair that the Tribe should share in any production bonuses paid, as the production bonus is a payment to add to the incentive for mining uranium ore. By virtue of the fact that the Tribe is claiming a share of this incentive bonus, they are, in fact, reducing and destroying the incentive to mine ore sufficient to warrant the payment of a production bonus.

Any action which you can take to rectify the situation would be greatly appreciated.

Very truly yours,

Cato Sells

INTER OFFICE MEMO
THE NAVAJO TRIBE

file
Cato Sells MP #5

12 April 1957

DATE

TO: Mr. A. H. Harris, Chief, Branch of Realty
FROM: Mr. K. N. Garard, Tribal Mining Engineer
SUBJECT: Your Memorandum Dated March 29, 1957

My assistant, Mr. C. V. Collins, has just returned from a mine inspection trip as of April 11, 1957 and reports that the Kennedy-McGee Mining Company, Oak Springs Mine or Salt Canyon No. 2 Mine is being taken care of and a ventilating fan is being installed. Due primarily to the lack of sizeable ore body the other recommendation made for a parallel drift being driven will not be enforced by the Navajo Tribal Mining Department.

The Cato Sells Permit No. 56 is inspected and the two suggestions in the Bureau of Mines report (1) lack of timber, (2) lack of ventilation are being taken care of at this time.

The Bureau of Indian Affairs has mine inspection representation through the United States Geological Survey, R. S. Fulton, Carlsbad, New Mexico, and I feel that it would be advisable for your office to notify the Carlsbad office concerning any mine inspection reports received by the Realty Department from the Bureau of Mines, Phoenix, Arizona, also State inspection reports.

The Navajo Tribal Mining Department feels that a rigid enforcement of book regulations would close down 90% of the uranium mines on the Navajo Reservation. Due to the experience record of mine accidents on the Navajo Reservation and the fact that the geology is of a nature that the usual dangers encountered in other mines is not evident in the mines on the Reservation. We do not feel that it is advisable to enforce all regulations as presented by the Bureau of Mines mine inspector.

K. N. Garard
Tribal Mining Engineer

KNG/ld

Resources-Realty
Minerals

File Copy
Surname

March 18, 1957

Mr. Cato Sells

Farmington, New Mexico

Dear Mr. Sells:

A periodic examination of our files reveals that you have been active in mining uranium-vanadium bearing ores from your Mining Permits Nos. 55 and 56 during the past year.

Information received from the Atomic Energy Commission also show that you received payment of bonuses for production of uranium bearing ores from said mining permits during the months of September, October, December, 1956 and February, 1957.

Of course, you are aware of our Navajo Tribal Mining Regulations which require you to remit 10 per cent of any Atomic Energy Commission bonus to the Navajo Tribe. During the above period mentioned, our records show that you received a total of \$33,905.47 as production bonuses from the Atomic Energy Commission of which the Navajo Tribe is to receive 10 per cent or \$3,890.55.

Will you please forward your check in the amount of \$3,890.55 made payable to the Bureau of Indian Affairs immediately, or furnish this office with a statement explaining the delay in payment.

Yours very truly,

Sgd. A. H. Harris

A. H. Harris, Chief
Branch of Realty

Tlynch/dw
Realty
Chrono
M/F



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 829
Carlsbad, New Mexico

March 12, 1957

Cato Sells

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to Permit (Lease) No. 56
Navajo Tribal Lands issued 8/6/52 and assigned to you
as of _____ pursuant to Navajo Tribal Council Resol-
ution No. ACS-80-51 as amended.

Enclosed is a copy of mining Operating Regulations (30
CFR, Part 231) of the Secretary of the Interior, referred to in
section 1-e of the permit and 1-c of your assignment.

Your particular attention is directed to part 231.6
which refers to furnishing this office with duplicate prints of
your mine maps and to part 231.8 which refers to the furnishing
of prospecting information. Forms for reporting bore hole logs
are available in this office, and will be forwarded to you on
request.

Arrangements have been made between the Superintendent,
Navajo Agency, the AEC and this office with all uranium mills and
buying stations to have all royalties due the Navajo Tribe calcu-
lated and deducted from your settlements. These royalties will
be paid direct to the Superintendent by the mill or buying agent.

Engineers from this office will visit the property from
time to time, and if there is any information or help we can give
you please let us know.

Very truly yours,

R. S. Fulton

Regional Mining Supervisor

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

57

57

File Copy

Surname

Long
Smith
James

DEC 26 1956

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

This refers to our letter of August 22, 1956 wherein your application for renewal of Mining Permit No. 56 was approved for an additional two year term subject to the condition that you pay the Navajo Tribe the balance due on Atomic Energy Commission production bonus payment which is due not later than the end of this calendar year. According to our records, on August 17, 1956, you paid the Navajo Tribe \$373.92 or one-half of the amount due the Navajo Tribe as its share of the Atomic Energy Commission bonus paid you.

This is to remind you that there is but a little over two weeks of this calendar year within which to pay the balance of the Atomic Energy Commission bonus to the Navajo Tribe and that since the Advisory Committee renewed your mining permit subject to your remittance of said amount, we would like to know whether you intend to pay the balance before the end of this calendar year before any action can be taken to enforce the condition provided in the renewal of Mining Permit No. 56.

Yours very truly,

/s/ PAUL JONES

Chairman, Navajo Tribal Council

(Sgd.) G. Warren Spaulding

General Superintendent

TLynch/dw
Realty
Chrono
M/F

Route Sheet

Subject		Attachments	
Letter to Cate Wells		1 folder on Mining Permit #56	
Route to	Released		COMMENTS
	Initial	Date	
1. Long	MDA	12-14	
2. Garand	KNE	12-17	
3. Hunter	PC	12/20/56	Did not check the file.
4. Jones	PG	12/21	
5. Supt	GW	12/26	
Originator's instructions for final disposition			
Return to Realty			
4+5 Signature	See me	Prepare reply for your signature	
Comment & Return	Information	Follow-up action	
Review	Prepare reply for	on	
1,2,3 Concurrent & Surname	Prepare reply for my signature		

Originator-M. D. Long, Chief, Branch of Realty-Phone No. 2-2793 Date 8/14

August 24, 1956

Advisory Committee - The Navajo Tribe

Branch of Realty

Application for Correction of Survey Descriptions of Cato Sells' Upper and Lower Canyon Claims, as Contained in Mining Permit #56.

Mr. Cato Sells applied for a bonus from the Atomic Energy Commission on his "Upper Canyon and Lower Canyon claims as contained in his Mining Permit #56 and upon his submission of a request to the Atomic Energy Commission for certification, he supplied a map dated April, 1956, but his application was deferred until such time that a minor error in the original survey be corrected and to read in conformity with the corrected survey as made in April, 1956, inasmuch as Mr. Sells claims that the original survey was not made by a registered surveyor and consequently, resulted in this resurvey which does not change or amend the original locations on the ground but merely provides a more definite tie to the point of beginning which is from Mile Post #17, and therefore, I believe that the request of Mr. Sells is in order. Upon approval of Mr. Sells' request, no doubt, the Atomic Energy Commission will certify these claims for bonus payments and as he stated, the bonus payments will enable him to pay off the balance of the Navajo Tribe's share of the bonus payments from the Oak Springs property.

The original description of these properties reads as follows: "Upper Canyon claim: Beginning at a point 121 feet due south of where the Red Rock - Beclabito road crosses the New Mexico-Arizona state boundaries, which point is between the 16th and 17th mile markers and which is approximately 3500 feet due south of the 16th mile marker; thence from point of beginning or corner #1, the northeast corner, 1800 feet north, 65° west to corner #3, the southwest corner; thence 1800 feet south, 65° east, to corner #4, southeast corner; thence due north following the New Mexico-Arizona state boundaries 600 feet to Corner #1, the place of beginning, containing 25.1 acres in Apache County, Arizona and is located approximately in Section 2, T. 38 N., R. 31 E., unsurveyed."

"Lower Canyon claim: Beginning at a point 121 feet due south, where the Red Rock - Beclabito road crosses the New Mexico-Arizona state boundaries which point is between the 16th and 17th mile post and which is approximately 3500 feet due south of the 16th mile marker; thence from point of beginning corner #1 the northwest corner, 1500 feet south, 69° east, to corner #2 of the northeast corner; thence 600 feet due south to corner #3 southeast corner; thence north 69° west, 1500 feet to corner #4, southwest corner; thence 600 feet due north following the Arizona-New Mexico boundary line to corner #1 and place of beginning, containing 20.6 acres in San Juan County, New Mexico in unsurveyed T. 29 N., R. 21 W., in approximately Section 2 and 3."

cc: Realty & Chrono.
TL/ajh

Thomas Lynch
Thomas Lynch, Administrative Ass't.

NAVAJO AGENCY

Route Sheet

Subject: Tribal Mining Permit.		Attachments 1 application for	
Name of <i>Cato Sells</i>		M.P. (map of claim, mining permit, Memorandum by Branch of Realty, Advisory Committee's rejection of appln.	
Route to		COMMENTS	
Released			
	Initial	Date	
1. <i>[Signature]</i>	<i>RCC</i>	<i>7/9/56</i>	
2. <i>[Signature]</i>	<i>RCC</i>	<i>7/9/56</i>	<i>OK. This should be paid out of money from the Realty office</i>
3. Long	<i>RCC</i>	<i>7/11</i>	
4. Advisory Committee		<i>7/11</i>	<i>Disapproved 7-1</i>
5. Long			
6. <i>[Signature]</i> Chairman	<i>not required</i>		
7. <i>[Signature]</i> Chairman		<i>7/19</i>	
8. Gen. Supt.			
Originator's instructions for final disposition			
<i>Return to Realty</i>			
748 Signature			
Comment & return			
142 Corresponding surname			

Originator: M. D. L., Chief, Branch of Realty, Phone #58

Date *7-6-56*





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Navajo Agency
Window Rock, Arizona

Resources:
Realty

Mr. Cato Sells
901 N. Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

This refers to your application for a mining permit on the Oak Springs Extension claim containing 21.35 acres and to inform you that on July 11, 1956, the Advisory Committee considered your application and after a lengthy debate, your application was denied until such time that you comply with the terms and conditions of your other mining permits and your remittance to the Navajo Tribe 10% of the production bonuses paid you by the Atomic Energy Commission, which has previously been requested by the Realty Office.

As soon as you remit the required amount as previously requested your application will be presented to the Advisory Committee again for their consideration.

Yours very truly,

Paul Jones
Chairman, Navajo Tribal Council

General Superintendent

ACTION OF ADVISORY COMMITTEE

Name of Applicant Cato Sells

Address _____

SUBJECT Application for a mining permit on a 21.35 acre

Information and Remarks: claim located in the Oak Springs area in Apache
County, Arizona.

ACTION OF ADVISORY COMMITTEE

DATE July 11, 1956

Recommended for disapproval for the following reasons
and or subject to the following conditions, by a vote of 7 for and
1 against.

Application for M.P. is denied until such time
that full compliance with the terms
& conditions of M.P.'s and that 10% of AEC
Bonus is paid to the Navajo Tribe.

Scott D. Preston
Chairman of Committee

REMARKS OR SUBSEQUENT ACTION:

ACTION OF ADVISORY COMMITTEE

Name of Applicant

Cato Sells

Address

SUBJECT

Application for mining permit on 21.35

Information and Remarks:

area known as "Oak Springs
Extension"

ACTION OF ADVISORY COMMITTEE

DATE

August 10, 1956

Recommended for

holding

for the following reasons

and or subject to the following conditions, by a vote of _____ for and
_____ against.

This action amends previous action approving renewals
of M.P. #55 & 56 with condition that Sells requests a corrected
survey of his Oak Springs claim to be incorporated into
M.P. #56 in conformity with certification of said claim and
as Sells assumed it to be located during the term
of M.P. #56.

Chairman of Committee

REMARKS OR SUBSEQUENT ACTION:

2 August 1956

Mr. Cato Sells
901 North Buena Vista
Farmington, New Mexico

Dear Cato:

This is in response to your telephone call to me of this morning in which you asked permission to pay in two installments the royalty due to the Navajo Tribe on account of bonuses received by you for production of uranium ore from mines on the Navajo Reservation.

Your proposal is agreeable to me, and we will look forward to prompt receipt of your check for \$873.92 representing the first installment of the unpaid royalty. We will expect the second installment not later than the end of this calendar year.

Sincerely yours,

PAUL JONES, Chairman
Navajo Tribal Council

LAD/kw

cc: Mr. Davis
Realty
File
Chrono

July 18, 1956



Honorable Paul Jones
Chairman, Navajo Tribal Council
Window Rock, Arizona

Dear Sir:

I am writing to you in regard to a demand which has been made upon me by Mr. Thomas Lynch of the Bureau of Indian Affairs and Mr. Lawrence Davis, Assistant General Counsel to the Navajo Tribe, pertaining to a claim for 10% of the bonus realized from properties which are now covered by mining permits numbers 55 and 56. Mining permits on these properties were issued to me prior to March of 1952 and have since been carried forward and designated as mining permits numbers 55 and 56. In November of 1952, we sought a clarification with respect to whether or not the tribe was entitled to a share of the bonus on permits issued prior to March, 1952. Under date of December 8th, 1952, Sam Ahkeah, who was at that time Chairman of the Navajo Tribe, advised us through the Climax Uranium Company that no bonus was due on any permits issued prior to March, 1952.

Relying on this ruling, I have proceeded in good faith to continue to develop the properties upon which I have mining permits. A goodly portion of the bonus money realized was put back into the properties by way of development. As you know, the Navajo Tribe has been receiving royalties from these properties through the four years that have elapsed since the time of the ruling of Mr. Ahkeah. It is impossible to accurately state what effect the failure to plow back these funds into development work would have had on the production of ore from these properties. However, it can reasonably be assumed that the development of these properties would not have been as extensive as it is, and you need only refer to your records to determine that many thousands of dollars have been paid to the tribe in the form of royalties from these properties.

Very truly yours,

Cato Sells

Cato Sells

Agency

Rock, Arizona

File Copy
Surname

REGISTERED LETTER

RETURN RECEIPT REQUESTED

JUL 12 1956

Mr. Cato Sells
901 Buena Vista
Farmington, New Mexico

Dear Mr. Sells:

This refers to our previous letters to you wherein we requested that you remit to the Navajo Tribe 10% of the A. E. C. production bonuses paid you for production from your various mining claims. We have never received a direct reply from you but in lieu thereof, Climax Uranium Company wrote whereby they doubted and questioned our position of requesting the 10% share of bonus payments, but they finally concluded that payment was due the Navajo Tribe and remitted a check in the amount of \$3,585.57.

According to Climax Uranium Company's letter of May 21, 1956, transmitting their check, that said remittance covered and completed payment of royalties on discovery bonuses received. The above amount represents 10% due the Navajo Tribe for production from your South Tract #1 of Mining Permit #55 and Cato #2 of Mining Permit #56, but leaves an unpaid balance of \$1,747.84 for production from your Cove Mesa and Cato #3 claims of mining permit #56 as scheduled in the attachment to our letter of February 23, 1956.

For your convenience, attached is a schedule compiled from records of the Atomic Energy Commission showing the amounts of bonus payments made to you for and on account of production from your Cove Mesa and Cato No. 3 claims under Mining Permit #56 during the period as indicated.

However, if you insist that payment is not due the Navajo Tribe in the amount as stated herein, will you kindly reply by return mail outlining your reasons as to why you feel that you are not required to remit to the Navajo Tribe the amount hereby demanded.

Yours very truly,

/s/ SCOTT PRESTON

ACTING Chairman, Navajo Tribal Council

(Sgd.) G. Warren Spaulding
General Superintendent

Attachment

cc: Realty; chrono.; m/f

Chairman

Secretary-Treas., Navajo Tribe

L.A. Davis

TI/ajh:7/3/56

Route Sheet

<u>Subject</u> Letter to Cato Sells requesting payment of Navajo Tribe's share of bonus payments		<u>Attachments</u> Copies of previous correspondence and letters from Climax Uranium Co.	
Route to	Released		COMMENTS
	Initial	Date	
1. Long	Long	7-3	
2. Spaulding	Spaulding	7/9/56	
3. Huerta	Spaulding	7/11/56	
4. Jones	Spaulding	7/12/56	
5. Spaulding	Spaulding	7/12	
6. Realty			
<u>Originator's instructions for final disposition</u>			
Return to Realty			
4 - 5 Signature	See me	Prepare reply for your signature	
Comment & Return	Information		
Review	Prepare reply for	Follow-up action on	
1,2,3,4 Concurrent & Surname	Prepare reply for my signature		

Originator-M.D. Long, Chief, Branch of Realty-Phone No. 2-2793 Date 7/3/56



INTER OFFICE MEMO
THE NAVAJO TRIBE

July 9, 1956

DATE

TO: Advisory Committee of the Navajo Tribal Council

FROM: Branch of Realty, Navajo Agency

SUBJECT: Application for A Mining Permit by Cato Sells and A.E.C. Bonuses.

In order that you may consider the application for a mining permit by Mr. Cato Sells with a complete and precise review ^{involving} the circumstances and that this office may not be subjected to any undue criticism, the following information which exist as records in the Realty office, confirmed by our Mining Office, should also be recognized by Mr. Sells, and acknowledged, inasmuch as he has previously been informed of such.

1. The claim, "Oak Springs Extension" being applied for, according to the map of said claim is alleged to be contiguous to the supposedly "Gravel Top" (Oak Springs) claim, the latter which Mr. Sells probably presumes to be approved and identified of record as containing 20.1 acres under the third paragraph of survey descriptions in his mining permit No. 56.
2. According to the survey description of the Oak Springs claim as contained in mining permit No. 56, which has never been subjected to any corrections and/or adjustments ^{on account} of any request is described to be located in San Juan County, New Mexico, but actually the major portion of this claim is located in Apache County, Arizona.
3. The alledged "Gravel Top" claim supposedly is the same and identical as the "Oak Springs" claim as referred to in item 2 above, but according to the survey description given in the United States Atomic Energy Commission's letter of Sept. 22, 1955, certifying the property, that it contains 20.66 acres and is located further west and entirely all in Apache County, Arizona.
4. On November 18, 1955, Mr. Sells was informed of the above situation as to the described location of the claim as certified for an A.E.C. bonus and the described location of the claim as approved by the Advisory Committee and the Area Director, and that if a re-survey had been made subsequent to August 16, 1954, to please inform this office of any such re-survey but as of this date, he has not replied to our letter.
5. A plotting of both claims as originally described in mining permit No. 56 containing 20.1 acres and the claim presently identified as "Gravel Top" and described in A. E. C. letter of September 22, 1955, was made by this office and has also been

plotted by our mining office verifying that both survey descriptions do not coincide and that they both place the claim and/or claims entirely in different locations.

6. The Realty Office has never received a request with a map showing a re-survey of the "Gravel Top" claim and consequently, the Advisory Committee has never approved any re-survey of this claim, but the Atomic Energy Commission is in possession of the map showing a re-survey upon which basis the claim was certified for a bonus.
7. According to information from the A.E.C., Mr. Sells received a bonus payment from the A.E.C. on account of production from this certified claim "Gravel Top" (Oak Springs claim) in the amount of \$17,168.78.
8. On February 23, 1956, this office requested of Mr. Sells to remit to the Navajo Tribe 10% of said bonus payment together with amounts due from other certified properties for which the A.E.C. paid him bonuses. The total amount due the Navajo Tribe from bonuses to Mr. Sells was \$5,333.40, but Climax Uranium Company paid \$3,585.57 which they claim represents the amount due the Navajo Tribe on account of bonus payments for their mining certain Cato Sells claims.
9. In addition to the \$1,716.88 due from the "Gravel Top" (Oak Springs) claim, \$30.96 is also due from the "Cove Mesa #1" claim for which the A.E.C. paid him a bonus of \$309.63, making a total of \$1,747.84 due the Navajo Tribe.

According to Realty records, Mr. Sell's application for a mining permit to cover an additional 21.5-acre claim should not be considered and accepted as an extension of and to be contiguous with the Oak Springs (Gravel Top) claim inasmuch as the Oak Springs (Gravel Top) claim does not exist nor is it located in the position as described on the map prepared in April, 1956, and the A.E.C. letter certifying the property on September 22, 1955.

The Realty Office will not recommend that the application for a mining permit by Mr. Cato Sells be approved due to his refusal to accept and comply with the terms and conditions contained in his mining permits as promulgated by the Advisory Committee in their resolution No. ACS-80-51, until such time that he deems it essential to proceed in the proper required manner to consummate his application for an additional mining permit, and further, that he liquidate his obligation to the Navajo Tribe as required under said resolution whereby he would remit 10% of the A.E.C. bonuses in the amount as stated under item 9 which has previously been requested of him and has ignored.

However, if you should rule that this is an exceptional case, the Realty Office, for the sake of records, requests that a resolution be adopted wherein Mr. Sells will not be subject to and be required to accept or comply with Advisory Committee Resolution No. ACS-80-51.

Thomas Lynch

Thomas Lynch
Realty Assistant

FILE COPY
SURRENDER
Hand

July 9, 1956

Advisory Committee of the Navajo Tribal Council

Branch of Realty, Navajo Agency

Application for A Mining Permit by Cato Sells and A.E.C. Bonuses.

In order that you may consider the application for a mining permit by Mr. Cato Sells with a complete and precise review evolving the circumstances and that this office may not be subjected to any undue criticism, the following information which exist as records in the Realty office, confirmed by our Mining Office, should also be recognized by Mr. Sells, and acknowledged, inasmuch as he has previously been informed of such.

1. The claim, "Oak Springs Extension" being applied for, according to the map of said claim is alleged to be contiguous to the supposedly "Gravel Top" (Oak Springs) claim, the latter which Mr. Sells probably presumes to be approved and identified of record as containing 20.1 acres under the third paragraph of survey descriptions in his mining permit No. 56.
2. According to the survey description of the Oak Springs claim as contained in mining permit No. 56, which has never been subjected to any corrections and/or adjustments, ^{on account} of any request is described to be located in San Juan County, New Mexico, but actually the major portion of this claim is located in Apache County, Arizona.
3. The alleged "Gravel Top" claim supposedly is the same and identical as the "Oak Springs" claim as referred to in item 2 above, but according to the survey description given in the United States Atomic Energy Commission's letter of Sept. 22, 1955, certifying the property, that it contains 20.66 acres and is located further west and entirely all in Apache County, Arizona.
4. On November 18, 1955, Mr. Sells was informed of the above situation as to the described location of the claim as certified for an A.E.C. bonus and the described location of the claim as approved by the Advisory Committee and the Area Director, and that if a re-survey had been made subsequent to August 16, 1954, to please inform this office of any such re-survey but as of this date, he has not replied to our letter.
5. A plotting of both claims as originally described in mining permit No. 56 containing 20.1 acres and the claim presently identified as "Gravel Top" and described in A. E. C. letter of September 22, 1955, was made by this office and has also been

20.1
20.66
6

plotted by our mining office verifying that both survey descriptions do not coincide and that they both place the claim and/or claims entirely in different locations.

6. The Realty Office has never received a request with a map showing a re-survey of the "Gravel Top" claim and consequently, the Advisory Committee has never approved any re-survey of this claim, but the Atomic Energy Commission is in possession of the map showing a re-survey upon which basis the claim was certified for a bonus.
7. According to information from the A.E.C., Mr. Sells received a bonus payment from the A.E.C. on account of production from this certified claim "Gravel Top" (Oak Springs claim) in the amount of \$17,168.78.
8. On February 23, 1956, this office requested of Mr. Sells to remit to the Navajo Tribe 10% of said bonus payment together with amounts due from other certified properties for which the A.E.C. paid him bonuses. The total amount due the Navajo Tribe from bonuses to Mr. Sells was \$5,333.40, but Climax Uranium Company paid \$3,585.57 which they claim represents the amount due the Navajo Tribe on account of bonus payments for their mining certain Cato Sells claims.
9. In addition to the \$1,716.88 due from the "Gravel Top" (Oak Springs) claim, \$30.96 is also due from the "Cove Mesa #1" claim for which the A.E.C. paid him a bonus of \$309.63, making a total of \$1,747.84 due the Navajo Tribe.

According to Realty records, Mr. Sell's application for a mining permit to cover an additional 21.5-acre claim should not be considered and accepted as an extension of and to be contiguous with the Oak Springs (Gravel Top) claim inasmuch as the Oak Springs (Gravel Top) claim does not exist nor is it located in the position as described on the map prepared in April, 1956, and the A.E.C. letter certifying the property on September 22, 1955.

7-1
The Realty Office will not recommend that the application for a mining permit by Mr. Cato Sells be approved due to his refusal to accept and comply with the terms and conditions contained in his mining permits as promulgated by the Advisory Committee in their resolution No. ACS-80-51, until such time that he deems it essential to proceed in the proper required manner to consummate his application for an additional mining permit, and further, that he liquidate his obligation to the Navajo Tribe as required under said resolution whereby he would remit 10% of the A.E.C. bonuses in the amount as stated under item 9 which has previously been requested of him and has ignored.

However, if you should rule that this is an exceptional case, the Realty Office, for the sake of records, requests that a resolution be adopted wherein Mr. Sells will not be subject to and be required to accept or comply with Advisory Committee Resolution No. ACS-80-51.

Thomas Lynch
Thomas Lynch
Realty Assistant

cc: Realty (2) ✓
 chrono.
 m/f
 Garard
 Davis
 Chairman
 McCabe

TL/ajh

CLIMAX URANIUM COMPANY

P. O. BOX 1901

GRAND JUNCTION, COLORADO

May 21, 1956

Mr. Thomas Lynch
Administrative Assistant
Bureau of Indian Affairs
Navajo Agency
Window Rock, Arizona

Dear Mr. Lynch:

In reply to the letter of Mr. Lawrence A. Davis, dated March 30, 1956, we wish to advise that we have reviewed the matter of the royalty payment on the discovery bonus, paid on uranium ores produced subsequent to the respective effective dates of Mining Permits Nos. 55 and 56.

We have concluded that we interpret the letter of Mr. Sam Ahkeah, dated December 8, 1952, incorrectly. Upon advice of our council, we are enclosing herewith our Check No. 20644 totaling \$3,585.57 in payment of the royalty on those tracts of land on which we conducted the mining operations.

Also, enclosed is a schedule setting for the months of delivery on each of the properties, showing the production subject to the royalty and the 10% royalty thereon. A review of our records show that this will complete the payment of royalties on the discovery bonus received as of this date, and interpreted in accordance with the letter of Mr. Davis, dated March 30, 1956.

Very truly yours,

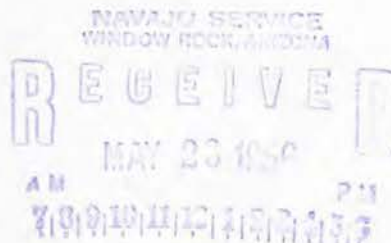
CLIMAX URANIUM COMPANY

A. R. Eikenbary
A. R. Eikenbary

ARE:eb

Encl.

cc: Mr. Cato Sells



CLIMAX URANIUM COMPANY
Grand Junction, Colorado

Discovery Bonus Received From
Operations on Navajo Tribal Permits

Permit No. 55

Tract No. 1 North (Land description No. 3)

7,887.92 pounds U₃O₈ certified as eligible for bonus.
Produced during period March through June 1951.

Tract No. 1 South (Land description No. 2)

10,000 pounds U₃O₈ certified as eligible for bonus.
Produced in the months of October and November 1952.
Royalty due: 10% of \$35,000

Permit No. 56

Cato No. 1

10,000 pounds U₃O₈ certified as eligible for bonus.
Production to date of 306.55 pounds produced in the
months of October and November 1951. No royalty is
due on this production; however, the remaining 9,693.45
pounds eligible is subject to the royalty when produced.

Cato No. 2

10,000 pounds U₃O₈ certified as eligible for bonus.
Production to date of 244.47 pounds produced in the
month of December, 1953 and the months of July and August
1954. Royalty due: 10% of \$855.65. The remaining 9,755.53
pounds eligible is subject to the royalty when produced.

Total royalty due:

Tract No. 1 South	\$3,500.00
Cato No. 2	<u>85.57</u>
<u>Total</u>	<u>\$3,585.57</u>

Mr. Cato Sells

30 March 1956

30 March 1956

Re: Demand for royalty on A.E.C. bonus payments received for production from the Navajo Tribal Mining Permits Nos. 55 and 56, and more in July, 1956. is due, and is hereby demanded at the rate of 10% on all A.E.C. bonus payments received on account of production from the lands embraced in Mining Permits Nos. 55 and 56 previously to the expiration effective date of these mining permits.

Sincerely yours,

Mr. Cato Sells
901 North Buena Vista
Farmington, New Mexico

Assistant General Counsel

Dear Mr. Sells:

The Climax Uranium Company's letter of February 28, 1956, addressed to Thomas Lynch, Administrative Assistant, Window Rock, Arizona, has been referred to me for answer. In this letter Climax contends no royalties are due to the Navajo Tribe on account of A.E.C. bonuses on production from Navajo Tribal land embraced in Mining Permits Nos. 55 and 56. As authority for its position Climax enclosed a photostat of a letter dated December 8, 1952, from Sam Ahkeah, at that time Chairman of the Navajo Tribal Council, wherein Mr. Ahkeah stated that there would be no bonus due the Navajo Tribe on any permits issued previous to March, 1952.

Royalty at the rate of 10% on A.E.C. bonus payments on account of production under Navajo Tribal Mining Permits Nos. 55 and 56 was demanded by Thomas Lynch in a letter dated February 23, 1956. A previous demand for this royalty was made in a letter dated September 10, 1952, signed by M. D. Long, Chief, Branch of Land, Navajo Agency, and addressed to Climax Uranium Company. Permits Nos. 55 and 56 became effective on August 21, 1952, and August 6, 1952, respectively. Both these permits contain the following language:

"**BONUSES:** There shall be paid, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lease. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore."

30 March 1956

30 March 1956

No demand is made for royalty on A.E.C. bonus payments received for production under the unnumbered mining permits which were replaced by Permits Nos. 55 and 56, and none is due. What is due, and is hereby demanded, is royalty at the rate of 10% on all A.E.C. bonus payments received on account of production from the lands embraced in Mining Permits Nos. 55 and 56 subsequent to the respective effective dates of these numbered permits.

Sincerely yours,

Mr. Cato Sells
912 North Ocean Vista
Washington, New Mexico

Assistant General Counsel

cc: Climax Uranium Company
Realty &
Mining

The Climax Uranium Company's letter of February 23, 1956, addressed to Thomas Lynch, United States Assistant, Window Rock, Arizona, has been referred to the Assistant. In this letter Climax Company requests that royalties be paid to the Navajo Tribe on account of 10% bonus on production from Navajo Tribal land embraced in Mining Permits Nos. 55 and 56. In authority for its position, Climax enclosed a photostat of a letter dated December 8, 1952, from the Navajo, at that time Chairman of the Navajo Tribal Council, wherein he stated that there would be no bonus due the Navajo Tribe on any permits issued previous to March, 1952.

Royalty at the rate of 10% on A.E.C. bonus payments on account of production under Navajo Tribal Mining Permits Nos. 55 and 56 was demanded by Thomas Lynch in a letter dated February 23, 1956. A previous demand for this royalty was made in a letter dated September 10, 1952, signed by H. B. Long, Chief, Branch of Land, Survey Agency, and addressed to Climax Uranium Company. Permits Nos. 55 and 56 became effective on August 21, 1952, and August 6, 1952, respectively. Both these permits contain the following language:

"PROVIDED: There shall be paid, as additional royalty, 10% of any bonus paid by the United States Atomic Energy Commission for the production of ore and particularly, bonuses for the initial production of uranium ore from said lands. This provision shall not be limited to bonuses for initial production but shall apply to any and all bonuses paid for the production of ore."

30 March 1956

Mr. Cato Sells
901 North Buena Vista
Farmington, New Mexico

Assistant General Counsel

Dear Mr. Sells:

The Climax Uranium Company's letter of February 28, 1956, addressed to Thomas Lynch, Administrative Assistant, Window Rock, Arizona, has been referred to me for answer. In this letter Climax contends no royalties are due to the Navajo Tribe on account of A.E.C. bonuses on production from Navajo Tribal land embraced in Mining Permits Nos. 55 and 56. As authority for its position Climax enclosed a photostat of a letter dated December 8, 1952, from Sam Ahkeah, at that time Chairman of the Navajo Tribal Council, wherein Mr. Ahkeah stated that there would be no bonus due the Navajo Tribe on any permits issued previous to March, 1952.

Royalty at the rate of 10% on A.E.C. bonus payments on account of production under Navajo Tribal Mining Permits Nos. 55 and 56 was demanded by Thomas Lynch in a letter dated February 23, 1956. A previous demand for this royalty was made in a letter dated September 10, 1952, signed by M. D. Long, Chief, Branch of Land, Navajo Agency, and addressed to Climax Uranium Company. Permits Nos. 55 and 56 became effective on August 21, 1952, and August 6, 1952, respectively. Both these permits contain the following language:

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30 March 1956

No demand is made for royalty on A.E.C. bonus payments received for production under the unnumbered mining permits which were replaced by Permits Nos. 55 and 56, and none is due. What is due, and is hereby demanded, is royalty at the rate of 10% on all A.E.C. bonus payments received on account of production from the lands embraced in Mining Permits Nos. 55 and 56 subsequent to the respective effective dates of these numbered permits.

Sincerely yours,

Assistant General Counsel.

cc: Climax Uranium Company
Realty -2✓
Mining

Thomas Lynch
Thomas Lynch
Administrative Assistant

THE NAVAJO TRIBE

March 23, 1956

DATE

TO: L. A. Davis, Assistant General Counsel

FROM: Thomas Lynch, Branch of Realty


SUBJECT: Bonus Payment Due the Navajo Tribe.

Attached hereto is a copy of my letter dated February 23, 1956, to Mr. Cato Sells and letter from Climax Uranium Company dated February 28, 1956, replying to my letter.

As I had expected, Mr. Cato Sells is obviously attempting to evade payment of the Navajo Tribe's share of production bonuses paid to him and also it is not surprising that Climax Uranium Company entered into the picture inasmuch as they asserted they mined the ores from Cato Sells claims.

There is attached to Climax Uranium Company's letter, a photostat copy of a letter dated December 8, 1952, from the former Chairman of the Navajo Tribal Council to Climax Uranium Company which they apparently intend to evidence their contention that bonus payments are not due the Navajo Tribe. My letter of February 23, 1956, to Mr. Sells requesting bonus payment in the amount of \$5,333.40 is supplemented by a schedule of Atomic Energy Commission bonus payments made to Mr. Sells which was compiled from such records of the Commission. This schedule does not cover any production under old mining permits issued to Mr. Sells on Tract #1 which Climax Uranium Company asserts was approved on February 16, 1950 and a mining permit covering Cato #2 claim which was approved August 9, 1950. The schedule attached to my letter covers only production for which Mr. Sells received bonus payments after August 21, 1952, which is the approval date of Mining Permit #55. Mining Permit #56 was approved Aug. 21, 1952. Both of these mining permits, #55 and #56, were issued subsequent to the present regulation providing for 10% of any bonus payments to be made to the Navajo Tribe.

Please note that the schedule does not refer to any production prior to October, 1952, yet Climax Uranium Company's letter asserts that no bonus payments are due the Navajo Tribe on any mining permits issued previous to March, 1952, which is in conformity with the regulations but they evidently are referring to old unnumbered mining permits which were issued in 1950 for two-year terms which did not have the 10% provision and of which I am aware. Perhaps you should prepare a letter for the signature of the Chairman to Climax Uranium Company inasmuch as they are apparently intending to argue against their payment of the Tribe's share of the bonuses.



Thomas Lynch
Administrative Assistant

Attachment

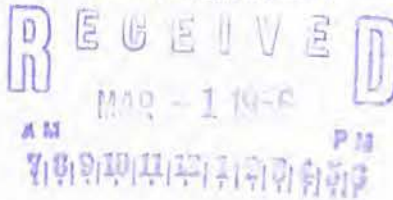
CLIMAX URANIUM COMPANY

P. O. BOX 1901

GRAND JUNCTION, COLORADO

February 28, 1956

NAVAJO SERVICE
WINDOW ROCK, ARIZONA



Mr. Thomas Lynch
Administrative Assistant
Bureau of Indian Affairs
Navajo Agency
Window Rock, Arizona

Dear Mr. Lynch:

Reference is made to your letter dated February 23, 1956 to Mr. Cato Sells relative to bonus payments due the Navajo Tribe for ores mined on various tracts assigned to Sells.

The Climax Uranium Company mined the ores from the first two tracts shown on the tabulation attached to your letter. These tracts are the South Tract No. 1 in Monument Valley (M. P. No. 55) and the Cato No. 2 tract in the Lukachukai Mountains (M. P. No. 56). No bonus payments were made to the Navajo Tribe for ores produced from these tracts.

Our files show that Mr. Kay, Vice President and General Manager of Climax Uranium Company looked into this matter of bonus payments from these and other tracts in November 1952. In a letter to Mr. Kay dated December 8, 1952, Mr. Sam Ahkeah stated that there will be no bonus due the Navajo Tribe on any permits issued previous to March 1952. Inasmuch as the South Tract No. 1 was approved February 16, 1950 and the Cato No. 2 tract was approved August 9, 1950, we feel that no bonus payments are due from these tracts. For your convenience a photostatic copy of Ahkeah's letter accompanies this letter.

We would appreciate hearing from you to know what decision you have reached on this matter.

Yours very truly,

CLIMAX URANIUM COMPANY

Anthony Mastrovich

A. M. Mastrovich
Assistant General Manager

AMM:vm
Enc.

SAM AHKEAH, CHAIRMAN
NAVAJO TRIBAL COUNCIL

JOHN C. CLAW,
VICE-CHAIRMAN

J. MAURICE McCASE,
SECRETARY-TREASURER

THE NAVAJO TRIBE

WINDOW ROCK, ARIZONA

December 8, 1952

RECEIVED
CLIMAX URANIUM CO.

DEC 17 '52

NAVAJO TRIBAL COMMITTEES:

GEORGE HUBBARD, CHAIRMAN
COMMITTEE ON ADMINISTRATION
FRANK BRADLEY, CHAIRMAN
COMMITTEE ON COMMUNITY SERVICES
ADOLPH MALONEY, CHAIRMAN
COMMITTEE ON ENGINEERING
GREY VALENTINE, CHAIRMAN
COMMITTEE ON LOANS
HOWARD W. GORMAN, CHAIRMAN
COMMITTEE ON RESOURCES
CLIFFORD BECK, CHAIRMAN
COMMITTEE ON TRADING

Mr. Marvin L. Kay,
Vice-President & Gen. Manager
Climax Uranium Company
P. O. Box 867
Grand Junction, Colorado

Dear Mr. Kay,

My letter of November 25, 1952, paragraph two, stated that all Navajo permits issued subsequent to the new regulations of March, 1952 have provisions therein requiring 10% bonus to be paid to the Navajo Tribal funds. Therefore, there will be no bonus due the Navajo Tribe on any permits issued previous to March, 1952.

This regulation covers any and all permits. Therefore, if the Gato Sells mining permit in Monument Valley was eligible for discovery bonus on June 30, 1951, it would not carry the 10% royalty to the Tribe. This information should fully cover your letter of December 5, 1952.

Sincerely yours,

Sam Ahkeah
Sam Ahkeah, Chairman
Navajo Tribe.

KNG/sw

Please INITIAL & DATE after reading
Date

Burnhart, K.	
Dugger, E. J.	ED
Gough, Ray	
Huston, K.	
Jellings, V. O.	
Kay, M. L.	Dec 17/52
Knots, Woodrow	
Mastovich, A.	
Tepper, R. C.	
Webster, J. E.	

Files

PLEASE

Confer with _____
Return to _____

February 28, 1956

Mr. Thomas Lynch
Administrative Assistant
Bureau of Indian Affairs
Navajo Agency
Window Rock, Arizona

Dear Mr. Lynch:

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The Climax Uranium Company mined the ores from the first two tracts shown on the tabulation attached to your letter. These tracts are the South Tract No. 1 in Monument Valley (M. P. No. 55) and the Cato No. 2 tract in the Lukachukai Mountains (M. P. No. 56). No bonus payments were made to the Navajo Tribe for ores produced from these tracts.

Our files show that Mr. Kay, Vice President and General Manager of Climax Uranium Company looked into this matter of bonus payments from these and other tracts in November 1952. In a letter to Mr. Kay dated December 8, 1952, Mr. Sam Ahkeah stated that there will be no bonus due the Navajo Tribe on any permits issued previous to March 1952. Inasmuch as the South Tract No. 1 was approved February 16, 1950 and the Cato No. 2 tract was approved August 9, 1950, we feel that no bonus payments are due from these tracts. For your convenience a photostatic copy of Ahkeah's letter accompanies this letter.

We would appreciate hearing from you to know what decision you have reached on this matter.

Yours very truly,

CLIMAX URANIUM COMPANY

A. M. Mastrovich
Assistant General Manager

AMM:vm
Enc.

cc: M. L. Kay; A. R. Eikenbary; C. Sells ✓

SAM AHKEAH, CHAIRMAN
NAVAJO TRIBAL COUNCIL

JOHN C. CLAW,
VICE-CHAIRMAN

J. MAURICE MCCABE,
SECRETARY-TREASURER

THE NAVAJO TRIBE

WINDOW ROCK, ARIZONA

December 8, 1952

RECEIVED
CLIMAX URANIUM CO.

DEC 17 '52

NAVAJO TRIBAL COMMITTEES:

GEORGE HUBBARD, CHAIRMAN
COMMITTEE ON ADMINISTRATION
FRANK BRADLEY, CHAIRMAN
COMMITTEE ON COMMUNITY SERVICES
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COMMITTEE ON LOANS
HOWARD W. GORMAN, CHAIRMAN
COMMITTEE ON RESOURCES
CLIFFORD BECK, CHAIRMAN
COMMITTEE ON TRADING

Mr. Marvin L. Kay,
Vice-President & Gen. Manager
Climax Uranium Company
P. O. Box 867
Grand Junction, Colorado

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Sincerely yours,

Sam Ahkeah
Sam Ahkeah, Chairman
Navajo Tribe.

KNG/sw

Please INITIAL & DATE after reading
Date

Barnhart, K.	_____
Duggan, E. J.	_____
Gough, Roy	_____
Huston, K.	_____
Jellings, V. O.	_____
Key, M. L.	_____
Knott, Woodrow	_____
Mastrovich, A.	_____
Tepper, R. C.	_____
Webster, J. E.	_____
Files	_____

PLEASE

Center with _____
Return to _____

Resources:
Realty

Navajo Agency
Window Rock, Arizona
February 23, 1956

Mr. Cato Sells
901 North Buena Vista
Farmington, New Mexico

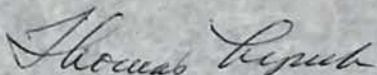
Dear Mr. Sells:

This office is in the process of auditing production and payment files of Navajo Tribal mining permits to ascertain if compliance with its requirements are met insofar as bonus payments are concerned. Upon checking your mining permit files, it has been discovered that no indication is contained therein that the required 10% of the initial production bonuses paid you by the Atomic Energy Commission has been received in this office for credit to Navajo Tribal funds. It is requested that you check your files containing any remittances to the Navajo Tribe to see if said required bonuses have been paid and if your records do not indicate such, will you kindly remit by return mail your check in the amount of \$5,333.40.

This amount, when paid to the Navajo Tribe, will relieve you of the obligation incurred under the provisions of the mining permits issued to you in accordance with Advisory Committee Resolution ACS-80-51. However, if at any time during the period of your mining activity under your mining permits No. 55 and 56 remittances representing the amounts equal to the required 10% of any bonuses were paid to this office and official receipts acknowledged with the possibility that payment was not recorded, it is kindly requested that you furnish such information as to proof of payments.

The above figure, \$5,333.40 will cover bonus payments on production of uranium bearing ores from your claims as certified by the Atomic Energy Commission as per attached schedule. This schedule is compiled from the Atomic Energy Commission's records. We will look forward to receiving a check from you in the above amount.

Yours very truly,



Thomas Lynch
Administrative Assistant

cc: Realty (2) & Chrono.

TL/am

Schedule of A. E. C. Bonus Payments to Mr. Cato Sells

<u>Certification No.</u>	<u>Period of Mining</u>	<u>Claim Name & Permit No.</u>	<u>Ore Dry Tons</u>	<u>Ore U₃O₈ Pounds</u>	<u>Amount of Bonus paid</u>	<u>Tribe's Share</u>
280	Nov. '52 & Oct. '52	South Tract #1 M.P.#55	446.21	10,000.00	\$35,000.00	\$3,500.00
343	Dec. '53, July & Aug. '54	Cato No. 2 of M.P.#56	52.47	244.47	\$ 855.65	\$ 85.56
362	May & July '53	Cove Mesa MP#56	35.69	111.73	\$ 309.63	\$ 30.96
596	April '54 thru Jan. '55	Cato #3 M.P.#56	1079.80	5165.00	\$17,168.78	<u>\$1,716.88</u>
						<u>\$5,333.40</u>

Dates of Certification

Certification No. D. U. P. C6-C-280,	June 11, 1953
Certification No. D. U. P. C6-C-343,	November 16, 1953
Certification No. D. U. P. C6-C-362,	December 22, 1953
Certification No. D. U. P. C6-C-596,	September 22, 1955

Resources:
Realty

Navajo Agency
Window Rock, Arizona
February 23, 1956

Mr. Cato Sells
901 North Buena Vista
Farmington, New Mexico

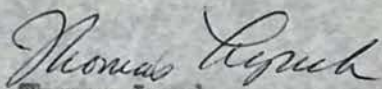
Dear Mr. Sells:

This office is in the process of auditing production and payment files of Navajo Tribal mining permits to ascertain if compliance with its requirements are met insofar as bonus payments are concerned. Upon checking your mining permit files, it has been discovered that no indication is contained therein that the required 10% of the initial production bonuses paid you by the Atomic Energy Commission has been received in this office for credit to Navajo Tribal funds. It is requested that you check your files containing any remittances to the Navajo Tribe to see if said required bonuses have been paid and if your records do not indicate such, will you kindly remit by return mail your check in the amount of \$5,333.40.

This amount, when paid to the Navajo Tribe, will relieve you of the obligation incurred under the provisions of the mining permits issued to you in accordance with Advisory Committee Resolution ACS-80-51. However, if at any time during the period of your mining activity under your mining permits No. 55 and 56 remittances representing the amounts equal to the required 10% of any bonuses were paid to this office and official receipts acknowledged with the possibility that payment was not recorded, it is kindly requested that you furnish such information as to proof of payments.

The above figure, \$5,333.40 will cover bonus payments on production of uranium bearing ores from your claims as certified by the Atomic Energy Commission as per attached schedule. This schedule is compiled from the Atomic Energy Commission's records. We will look forward to receiving a check from you in the above amount.

Yours very truly,


Thomas Lynch
Administrative Assistant

cc: Realty (2) & Chrono.

TL/am

Schedule of A. E. C. Bonus Payments to Mr. Cato Sells

<u>Certification No.</u>	<u>Period of Mining</u>	<u>Claim Name & Permit No.</u>	<u>Ore Dry Tons</u>	<u>Ore U₃O₈ Pounds</u>	<u>Amount of Bonus paid</u>	<u>Tribe's Share</u>
280	Nov. 52 & Oct. 52	South Tract #1 M.P.#55	146.21	10,000.00	\$35,000.00	\$3,500.00 <i>PL 5-24-56</i>
343	Dec. 53, July & Aug. '54	Cato No. 2 of M.P.#56	52.47	244.47	\$ 855.65	\$ 85.57 <i>PL 5-24-56</i>
362	May & July '53	Cove Mesa MP#56	35.69	111.73	\$ 309.63	\$ 30.96
596	April '54 thru Jan. '55	Cato #3 M.P.#56	1079.80	5165.00	\$17,168.78	<u>\$1,716.88</u> <u>\$5,333.40</u>

Dates of Certification

Certification No. D. U. P. C6-C-280, June 11, 1953
 Certification No. D. U. P. C6-C-343, November 16, 1953
 Certification No. D. U. P. C6-C-362, December 22, 1953
 Certification No. D. U. P. C6-C-596, September 22, 1955

KERR-McGEE OIL INDUSTRIES, INC.

NAVAJO URANIUM DIVISION

P. O. BOX 608. SHIPROCK, NEW MEXICO

January 6, 1956



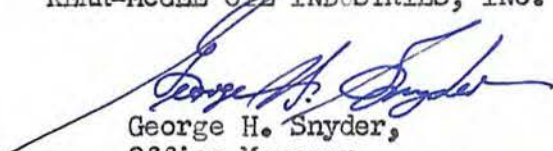
Thomas Lynch
Tribal Realty Assistant
Navajo Agency
Window Rock, Arizona

Dear Mr. Lynch:

Reference is made to your letter of December 30, 1955 concerning Cato Sells' Mining Permit Number 56. We concur in your advise and have changed our records accordingly.

Very truly yours,

KERR-McGEE OIL INDUSTRIES, INC.


George H. Snyder,
Office Manager

GHS:ew
cc: M. F. Bolton

KERMAC

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

56



56

Resources-
Realty

Navajo Agency
Window Rock, Arizona
December 30, 1955

Kerr-McGee Oil Industries, Inc.
P. O. Box 608
Shiprock, New Mexico

Attention: Mr. M. F. Bolton

Gentlemen:

Reference is made to settlement sheets covering ore shipments from the Upper Canyon Mine of Cato Sells of Liquidation No. 400 for October, 1955 and Liquidation No. 444 and 445 for the month of November, 1955.

It is noted that these settlement sheets refer to Permit #55 and that said Upper Canyon Mine is located in the Shiprock mining district in the County of Apache, state of Arizona. According to the file on Mining Permit #56, the Upper Canyon Mine claim is located in San Juan County, New Mexico. Could this Upper Canyon Mine be the same as one called the Oak Springs Claim of Mr. Sells as described under Mining Permit #56?

For your information, please be advised that Mr. Cato Sells does not have any mining claims under Mining Permit #55 that are located in the Shiprock mining district and that any mining claims of Mr. Sells described under Mining Permit #55 are located in Monument Valley.

I am charging the above mentioned liquidation numbers to Mining Permit #56 rather than Mining Permit #55 as shown on the settlement sheets. Please advise if you concur with this information.

Yours very truly,

T. Thomas Lynch

Thomas Lynch
Tribal Realty Assistant

#55
cc: Realty & Chrono.
TL/am

Navajo Agency
Window Rock, Arizona
November 18, 1955

Mr. Cato Sells
P. O. Box 253
Farmington, New Mexico

Dear Mr. Sells:

Reference is made to your Mining Permit #56 covering a certain 20.66 acre claim located in the Oak Springs area.

This office is in receipt of a copy of letter addressed to you from the Atomic Energy Commission dated September 22, 1955, with reference to the certification of said claim located in Oak Springs area. This letter from the Atomic Energy Commission contains a survey description of the certain tract of land upon which you have applied for a bonus, does not correspond with the survey description as contained for this certain tract of land in your Mining Permit #56. The original description of said claim as described in Permit #56 indicates this claim to be located much closer to the stateline than it does by the description as contained in your application for certification for a bonus on said claim.

It is not understood why this property was certified for bonus with a description that does not correspond with the surveyed description as contained in your Mining Permit #56 and approved by the Advisory Committee and the Area Director. If this claim has been resurveyed subsequent to August 16, 1954 on which date of mining Permit #56 was renewed for an additional two-year period from August 6, 1954 to August 6, 1956, this office has no information to any such revision of the original survey.

Please inform this office as to whether you have a resurvey made of this property.

Yours very truly,

(s) Thomas Lynch

Thomas Lynch
Tribal Realty Assistant

cc: Garard
Realty
chrona.
TL/am

UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION OPERATIONS OFFICE
GRAND JUNCTION, COLORADO

NAVAJO SERVICE
WINDOW ROCK, ARIZONA
RECEIVED
SEP 26 1955
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

IN REPLY REFER TO: MD:DRH

September 22, 1955

Mr. Cato Sells
Box 253
Farmington, New Mexico

Re: CERTIFICATION OF OAK SPRINGS PROPERTY, SHIPROCK MINING
DISTRICT, NAVAJO INDIAN RESERVATION, APACHE COUNTY, ARIZONA
(APPLICATION NO. 1101)

Dear Mr. Sells:

Reference is made to your application dated May 5, 1955, requesting certification of the Oak Springs Property for bonus payments under the provisions of Domestic Uranium Program Circular 6.

This will serve as notification that the captioned application has been reviewed and the following described property certified as a unit eligible to receive bonus payments:

Navajo Tribal Mining Permit No. 56

Starting at the west end of existing Oak Springs concrete water trough, inscribed "January 23, 1935," from whence the 17½ Mile Post, Standard U.S. G.L.O. marker, on the Arizona-New Mexico boundary, bears S 84° 06' E, 2021 feet; thence S 22° 45' E, 323.4 feet to corner No. 1, the NW corner and point of beginning; thence S 53° 25' E, 1500 feet to corner No. 2, the SW corner; thence N 36° 35' E, 600 feet to corner No. 3, the SE corner; from whence the 17½ Mile Post bears N 32° 43' E, 597.8 feet; thence N 53° 25' W, 1500 feet to corner No. 4 the NE corner; thence S 36° 35' W, 600 feet to corner No. 1 the point of beginning, containing 20.66 acres.

The above property is situated in approximate unsurveyed Sections 31 and 32, T. 39 N., R. 31 E., GCSRBOM, Shiprock Mining District, Navajo Indian Reservation, Apache County, Arizona.

September 22, 1955

Our investigation shows that the tract described above contains 20.66 acres. In accordance with the Commission's policy on Indian lands, to prorate the pounds of U_3O_8 eligible for bonus payments where the property contains less than 40 acres, the above described property is eligible to receive bonus on 5165, or $\frac{20.66}{40} \times 10,000$, pounds of U_3O_8 when contained in ores mined from this property and delivered to a qualified mill or Commission ore buying station between March 1, 1951, and February 28, 1957, inclusive.

The certification number you will use in making application for bonus payment is D.U.P. C6-C-596. Several copies of an "Application for Bonus Payment" form are enclosed for listing each month's production since March 1, 1951. In making application for bonus payments, please note the name of the claim from which ore was shipped.

Very truly yours,

R. H. Toole, Chief
Leasing & Development Branch
Mining Division

Enclosure:
AEC-300 (6 sets)

cc: Bureau of Indian Affairs
Navajo Indian Reservation
Window Rock, Arizona

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

69



55

Resources: Realty

Navajo Agency
Window Rock, Arizona

September 13, 1954

Jimmie E. King
Box 173
Shiprock, New Mexico

Dear Sir:

In reply to your letter of September 2, 1954 regarding a claim once held by Gato Sells or formally known as the Syracuse claim containing 29.3 acres more or less.

The descriptions given in your letter indicates that it is apparently the same or portion of land now claimed in Tom Nakai Chee's mining permit No. 95 for 43.85 acres and of course Gato Sells has a claim directly east of this claim in New Mexico covered by mining permit #56.

Yours very truly,

M. D. Long, Chief
Branch of Realty

By T. Lynch

cc: Realty - 2
Chrono
M/F

Navajo Agency
Window Rock, Arizona

August 16, 1954

Cato Sells
Farmington, New Mexico

Dear Sir:

Pursuant to your request and the approval of the Advisory Committee, your two Tribal Mining permits No. 55 and 56 are hereby renewed for a period of two years from August 21, 1954, for permit No. 55, and from August 6, 1954 for permit No. 56. These dates are the expiration dates of the original permits.

Yours very truly,

/s/ Adolph Maloney
Acting Chairman, Navajo Tribal Council

Approved: /s/ R. D. Holtz
Assistant Area Director

cc: Allport, USGS, Carlsbad N.M.
Jackson AS&R, Grand Junction, Colo.
Realty
Chrono
M/F

APPLICATION FOR RENEWAL OF MINING PERMIT NO. 56
COVERING NAVAJO TRIBAL LANDS

August 4, 1954

Cato Sells does hereby respectfully apply for renewal of mining permit No. 56 covering the following described Navajo Tribal lands:

CATO NO. 1

Beginning at a Monument on the Northeasterly end of Horse Trail Mesa from which the Cove Day School bears North 59° East 7700 feet;
thence South 19° East 1175 feet;
thence South 72° West 5240 feet;
thence North 13° West 1000 feet;
thence North 70° East 5110 feet; to place of beginning, containing 130 acres, more or less. The area is located in an unsurveyed portion of Apache County, Arizona, Township 27 North, Range 29 East.

CATO NO. 2

Beginning at a Monument on the Southeastern end of a Mesa on the North side of Horse Trail Canyon, from which the Cove Day School bears North 68° East 9280 feet approximately;
thence North 32° West 1560 feet to Corner No. 2 on the Northeast Corner of the Mesa;
thence North 88° West 4380 feet to Corner No. 3 on the Northwest side of the Mesa;
thence South 49° East 4430 feet to Corner No. 4 on the South side of the Mesa and on Horse Trail Canyon;
thence North 52° East 2330 feet to Corner No. 1, the place of beginning.

The Boundaries of this area follow the outcrops of the ore bearing sandstones, and enclose 180 acres, more or less. The area is located in Apache County, Arizona, in an unsurveyed portion of Township 27 North, Range 29 East.

#3

Starting at the Northwest Corner No. 1 of the proposed mining permit and the West end of the Oak Springs Water Trough which has an inscription in concrete reading January 23, 1935. The 17th mile marker on the New Mexico-Arizona Boundary Line bears approximately $2N.22^{\circ}$ East 2500 feet. Starting again from Corner No. 1, the Northwest Corner,
thence 20° East 1500 feet to Corner No. 2 Southwest Corner;

thence North 80° East 600 feet to Corner No. 3, the Southeast Corner;
thence North 20° West 1500 feet to Corner No. 4, the Northeast Corner;
thence South 80° West 600 feet to Corner No. 1, the Northwest Corner;
and place of beginning, containing approximately 20.1 acres in San Juan County, New Mexico.

Corner No. 1 starts at the Triangulation Station and Corner No. 1 of the Curran Brothers and Wade Plot No. 7 Lease, from which point U. S. Mineral Monument No. 3 bears North $1^{\circ} 22' 50''$ East 33,650 feet;
thence from Corner No. 1, 3,000 feet North 60° East to Corner No. 2;
thence 4,000 feet South 20° West to Corner No. 3; which corner is the same as Corner No. 31 of Curran Brothers and Wade Plot and Lease;
thence 3,887 feet North $46^{\circ} 27'$ West to Corner No. 1, and place of beginning,
from Corner No. 31 to Corner No. 1 is the Northeast Boundary Line of Curran Brothers and Wade Plot No. 7 Lease; plot containing 73.8 acres, more or less, in Apache County, Arizona, being located approximately in a common corner of unsurveyed Township 38 North, Range 28 East, Township 37 North, Range 28 East, Township 37 North, Range 29 East, Township 38 North, Range 29 East.

Beginning at a point 121 feet due South of where the Red Rock - Beclabito Road crosses the New Mexico-Arizona State Boundaries, which point is between the 16th and 17th mile markers and which is approximately 3500 feet due South of the 16th mile marker;
thence from point of beginning or Corner No. 1, the Northeast Corner, 1800 feet North 65° West to Corner No. 2, the Northwest Corner;
thence 600 feet due South to Corner No. 3, the Southwest Corner;
thence 1800 feet South 65° East to Corner No. 4, the Southeast Corner;
thence due North following the New Mexico-Arizona State Boundaries 600 feet to Corner No. 1, and place of beginning,
containing 25.1 acres, in Apache County, Arizona, and is located approximately in Section 2, Township 38 North, Range 31 East, unsurveyed.

Beginning at a point 121 feet due South where the Red Rock - Beclabito Road crosses the New Mexico-Arizona State Boundaries which point is between the 16th and 17th Mile Post and which is approximately 3,500 feet due South of the 16th Mile Marker;
thence from point of beginning Corner No. 1 the Northwest Corner 1500 feet South 69° East to Corner No. 2; the Northeast Corner;
thence 600 feet due South to Corner No. 3, the Southeast Corner;
thence North 69° West 1500 feet to Corner No. 4, the Southwest Corner;
thence 600 feet due North following the Arizona-New Mexico Boundary Line to Corner No. 1, and place of beginning,
containing 20.6 acres, in San Juan County, New Mexico, in unsurveyed Township 29 North, Range 21 West, in approximate Section 2 and 3.

The other lands which were included in Mining Permit No. 56, but which are not included in this application for renewal, have been and hereby are released and cancelled.

The applicant respectfully represents that he has worked and is continuing to work in good faith in the development of mining operations on the above described tracts.

Respectfully submitted,

Cato Sells
Cato Sells

ACTION OF ADVISORY COMMITTEE

Name of Applicant Cato Sells District _____

Subject: Request renewal of mining

Information and Remarks: permits No. 55 and
56, these expire 8/21/54 and
8/6/54 respectively.

ACTION OF ADVISORY COMMITTEE

DATE 8/4/54

Recommended for approval for the following
reasons and or subject to the following conditions, by a vote of 5
for and 0 against.

Joseph Maloney
For ~~Secretary~~ or Chairman of Committee

REMARKS OR SUBSEQUENT ACTION:

Farmington, New Mexico
901 North Bueno Vista
June 25, 1954

SUBJECT: RELINQUISHMENT OF MY SATAH TRACT,

TO: MR. SAM AHKEAH, CHAIRMAN NAVAJO ADVISORY COMMITTEE

I, CATO SELLS, hereby request that you cancel my mining permit
on Satah, as shown in my Land Discription under my mining permit
No. 56. *Containing 20.6 acres.*

Cato Sells

Cato Sells

Witness

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

45

54

CROSS REFERENCE SHEET

Name or Subject

File No.

URAN Sells Cato
Permit No 56

Regarding

Date

F R No 470403
Disposition of check
Letter of transmittal from Kerr-McGee Oil Ind

8/29/55
8/19/55
8/16/55

SEE

Name or Subject

File No.

URAN Nez Chee
Permit No 189

File cross reference form under name or subject at top of the sheet and by the latest date of papers. Describe matter for identification purposes. The papers, themselves, should be filed under name or subject after "SEE."



Cat. No. 30-5902.1
For use in all Filing Systems

Mining Permits
Nos. 55, 56 & 72

Window Rock Area Office
Window Rock, Arizona

September 10, 1953

Climax Uranium Company
Grand Junction, Colorado

Gentlemen:

Mining Permits Nos. 55 and 56 of Cato Sells, and No. 72 of Frank Wacheenbetah, provide that in addition to the sliding scale royalties, that 10% of any production bonuses received from the A. B. C. is also to be paid to the Navajo Tribal Fund.

Please check into this matter and forward your check for the royalties due on the production bonuses.

Very truly yours,

(S) M. D. LONG

M. D. Long, Chief,
Branch of Land

MDL/sgs 9-10-53

cc: Land - Permits Nos. 55, 56, 72
Chrono
M&F

Resources: Land
Mining Permit No. 56

Window Rock Area Office
Window Rock, Arizona

July 13, 1953

Mr. H. C. Jackson
Office Manager
Colorado Plateau Uranium Ore Project
American Smelting and Refining Company
P. O. Box 986
Grand Junction, Colorado

Dear Mr. Jackson:

Enclosed for your information is corrected survey map and description of Cato No. 2 tract involved in mining permit No. 56 of Cato Sells, the new acreage for the Cato No. 2 tract being 173.7 acres.

Very truly yours,

(S) M. D. LONG

M. D. Long, Chief,
Branch of Land

Enclosure

MDL/sgs 7-13-53

cc: Land
Chrono
M&F

R. H. Allport, U.S.G.S., Carlsbad, New Mexico, w/copy of map
and description

Resources: Land
Mining Permits
Nos. 55 & 56

Window Rock Area Office
Window Rock, Arizona

July 13, 1953

Mr. H. C. Jackson
Office Manager
Colorado Plateau Uranium Ore Project
American Smelting & Refining Company
P. O. Box 986
Grand Junction, Colorado

Dear Sir:

Please be advised that Mr. Cato Sells has relinquished portions of his tribal mining permits back to the Navajo tribe under date of July 1, 1953, as follows:

- Permit No. 56 - Say Tah Claims containing 20.6 acres.
- Permit No. 56 - Say Tah Extension containing 17 acres and Oak Springs containing 160 acres.
- Permit No. 55 - Monument Valley, South Tract, containing 156.906 acres.

Very truly yours,

(S) M. D. LONG

M. D. Long, Chief,
Branch of Land

MDL/sgs 7-13-53

cc: Land - M.P. No. 55 & 56
Chrono
M&F

R. H. Allport, U.S.G.S., Carlsbad, N.M.



Farmington, New Mexico
June 29, 1953

Mr. Marvin D. Long
Chief, Branch of Land
Window Rock Area Office
Window Rock, Arizona

Dear Mr. Long:

We are forwarding you herewith a map in quintuplicate showing our transit-tape survey of the Cato No. 2 tract, permit No. 56, Cato Sells, in the Mesa 6 area, Lukachukai Mountains. The survey now accurately locates this tract with reference to the A. E. C. Cove Auxiliary Triangulation Station.

You will note that Corner No. 1 was amended to drop about 6.3 acres of land in the southeasterly section of the tract because this land is situated below the Morrison formation ore rim.

Yours very truly,

Cato Sells

Cato Sells

CS-AMM:dh

Encl.

Resources: Land
Mining Permit No. 56

Window Rock Area Office
Window Rock, Arizona

April 21, 1953

Mr. H. C. Jackson
Office Manager
Colorado Plateau Uranium Ore Project
American Smelting and Refining Company
Grand Junction, Colorado

Dear Mr. Jackson:

Enclosed herewith is corrected description and map of the Cato No. 1 claim in the Lukachukai Mountains under Cato Sells Permit No. 56.

Please attach this map to mining permit No. 56 for future reference.

Very truly yours,

(S) M. D. LONG
M. D. Long, Chief,
Branch of Land

Enclosure

MDL/sgs 4-20-53

cc: ✓ Land - MP. No. 56
Chrono
M&F

R. H. Allport, U.S.G.S., Carlsbad, N.M., w/copy of letter
and of map.

CORRECTED DESCRIPTION

CATO NO. 1, LUKACHUKAI MOUNTAINS

CATO SELLS PERMIT NO. 56

Beginning at a monument on the Northeasterly end of Horse Trail Mesa, from which the Cove Day School bears N $57^{\circ} 57'$ E 84304' and the Cove Auxilary bears North $60^{\circ} 18'$ E 8552', Thence South 70° West 5110' to Corner No. 2, a corner on the South side of Horse Trail Canyon; thence south 13° E 1000' to Corner No. 3; thence N 72° East 5240' to Corner No. 4; thence North 19° West 1175' to Corner No. 1, the place of beginning. 130 Acres.

JEW:vm/4-18-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

53

Cato Sells

Resources: Land.
Mining Permits Nos.
69, 56, & 72.

Window Rock Area Office
Window Rock, Arizona

December 11, 1952

Mr. Paul Martin, Counsel,
U. S. Atomic Energy Commission,
P.O. Box 270,
Grand Junction, Colorado.

Dear Mr. Martin:

This is in reply to your letter of December 1, 1952, regarding boundary descriptions on the mining permits of Eugene Taphonso, Cato Sells, and Frank Nacheenbetah, in connection with their applications for bonus certifications.

The record on the above permits is as follows:

1. Eugene Taphonso: Original permit issued 9/29/50, gave approximate location only, with total of 24 acres. Renewal Permit No. 69 approved 11/24/52 contains survey description as indicated in your letter. The Upper Salt Rock Claim now contains 9 acres, and Lower Salt Rock 4 acres. There would appear to be no further action necessary in connection with the surveys of these two claims.
2. Cato Sells: Cato No. 1 in Lukachukai Mountains, under Permit No. 56 is described exactly as indicated in your letter. You state that the claim is actually 8430 feet S. 57 degrees 56 min. W. from Cove Day School, whereas, Cato's survey description states S. 59 deg. W. 7700 feet from Cove Day School, a discrepancy of 730 feet. It therefore appears that Mr. Sells must furnish a corrected survey description for said claim. New map and corrected description should be filed here in quintuplicate for attachment to copies of the permit.
3. Frank Nacheenbetah: Frank No. 1 claim totaling 120 acres originally approved 9/29/50, and as renewed under Permit No. 72, approved 12/10/52 is described only as follows: "A tract 12,144 ft. S. 48 deg. W. from Cove, 2640 by 1980 feet in size, containing 120 acres". You state that the claim is actually S. 47 deg. 48 min. W. 13,280 ft. from Cove Day School, a discrepancy of 1,136 feet. Corrected survey description and map must also be furnished in quintuplicate.

Copies hereof are being forwarded to Cato Sells and Climax Uranium Company for appropriate action as above indicated.

cc Land-Chrono-M&F
Cato Sells
Climax Uranium Co.

Very truly yours,

M. D. Long, Chief, Branch of Land.

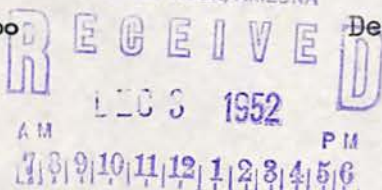
UNITED STATES
ATOMIC ENERGY COMMISSION
GRAND JUNCTION, COLORADO

ADDRESS REPLY TO:

MANAGER,
COLORADO RAW MATERIALS OPERATIONS
U. S. ATOMIC ENERGY COMMISSION
P. O. BOX 270
GRAND JUNCTION, COLORADO

December 1, 1952

AND REFER TO OC:JXC



Mr. Marvin D. Long
Chief, Branch of Land
Bureau of Indian Affairs
Window Rock Area Office
Window Rock, Arizona

Dear Mr. Long:

This office has received applications under Domestic Uranium Program Circular 6 for certification of the following mining properties located on the Navajo Indian Reservation:

Upper Salt Rock, Oak Spring Mining District, Eugene Tapohonso, Permittee;

Cato No. 1, Lukachukai Mining District, Cato Sells, Permittee; and

Frank No. 1, Lukachukai Mining District, Frank Nacheenbetah, Permittee.

A field examination by one of our mining engineers indicates the following:

Upper Salt Rock: The mining permit, issued September 29, 1950, by the Tribal Council to Eugene Tapohonso, described the property as follows:

"Twenty acre claim located approx. 2 miles SE of Oak Springs Trading Post, and a four acre claim located about $1\frac{1}{2}$ miles SE of Oak Springs Tr. Post, to be known as Upper Salt Rock Claims. Totaling 24 acres."

Our examining mining engineer reports that these tracts, which have been surveyed and mapped, are staked as follows:

Upper Salt Rock:

Beginning at Corner No. 1, which Corner is adjacent to Corner No. 2 of the VCA Plot No. 6 (lease #1-149-Ind 5705), thence S $17^{\circ} 27'$ E. 582.9 feet to Corner No. 2; thence N. $66^{\circ} E.$, 785 feet to Corner No. 3; thence N. $59^{\circ} 30'$ W., 1060 feet to Corner No. 4; thence S. $6^{\circ} E.$, 300 feet to Corner No. 1, the point of beginning, which corner bears N. $61^{\circ} 39'$ E., 812.09 feet from Corner No. 1 of VCA Plot No. 6 and is tied to Arizona-New Mexico State Line Mile Post No. 20. Approximate area, more or less, is 9 acres.

Lower Salt Rock Claim:

Beginning at Corner No. 1, which Corner is S. $36^{\circ} E.$, 940 feet from Corner No. 3 of the Upper Salt Rock Claim; thence S. $47^{\circ} E.$ 400 feet to Corner No. 2; thence S. $54^{\circ} W.$, 430' to Corner No. 3; thence N. $47^{\circ} W.$ 140 feet to Corner No. 4; thence N. $8^{\circ} E.$ 430' to Corner No. 5; thence N. $84^{\circ} E.$ 90 feet, to Corner No. 1, the point of beginning. Approximate area, 4 acres.

Cato No. 1: Mining Permit No. 56, issued by the Tribal Council July 8, 1952 to Cato Sells, describes the Cato No. 1 as follows:

Beginning at a Monument on the Northeasterly end of Horse Trail Mesa from which the Cove Day School bears North 59° East 7700 feet;
thence South 19° East 1175 feet;
thence South 72° West 5240 feet;
thence North 13° West 1000 feet;
thence North 70° East 5110 feet; to place of beginning, containing 130 acres, more or less. The area is located in an unsurveyed portion of Apache County, Arizona, Township 27 North, Range 29 East.

Our maps show that the northeast corner of this claim is S. $57^{\circ} 56'$ W. 8430 feet from Cove Day School, and that the southeast corner and the southwest corner are common with northeast corner and northwest corner respectively of the Dan Phillips lease No. 8666, Parcel No. 3, Mesa No. 5. The Cato No. 1 as staked is approximately 730 feet southwest of the position described in the mining permit.

Mr. Marvin D. Long

- 3 -

December 1, 1952

Frank No. 1: The mining permit, issued by the Tribal Council September 29, 1950 to Frank Nacheenbetah describes the Frank No. 1 as follows:

A tract 12,144 feet S. 48° W. from Cove 2640 by 1980 feet in size, containing 120 acres.

Our survey and maps show that the northeast corner of this tract is S. 47° 41' W. 13,280 feet from Cove Day School and is staked as follows:

Beginning at Corner No. 1 (NE) from which Cove Day School bears North 47° 41' E. 13,280 feet; thence N. 79° W., a distance of 1,980 feet to corner No. 2 (NW); thence S. 23° W. a distance of 2,640 feet to corner No. 3 (SW); thence S. 79° E. a distance of 1,980 feet to corner No. 4 (SE); thence N. 23° E. a distance of 2,640 feet to corner No. 1, the point of beginning, containing approximately 120 acres.

The property as staked on the ground is approximately 1,136 feet southwest from the position described in the mining permit.

If the descriptions of these properties as staked and operated are correct and properly described the lands intended to be covered by the particular mining permits issued by the Tribal Council, it is suggested that such permits be amended accordingly.

As we are withholding certification of these three properties, pending clarification of the matter, will you advise us as soon as possible whether the mineral lands as staked and described above are the lands for which permits were issued.

Very truly yours,



Paul B. Martin
Counsel

cc: Cato Sells

November 12, 1952

Mr. Sam Ahkeah, Chairman
Navajo Advisory Committee, Tribal Council
and
Mr. Allan Harper, Area Director
Bureau of Indian Affairs
Window Rock Area Office
Window Rock, Arizona

Gentlemen:

We would like a clarification from you in regards to payment of 10% royalty to tribal council on eligible product for discovery bonus before the new regulation became effective.

The 10,000 pounds of Uranium which was eligible for discovery bonus was completed by June 30, 1951 from Cato Sells Tract #1, Monument Valley, Apache County, Arizona.

From Frank Nacheenbetah #1 Mining Permit in Chuska Mountain Area, Lukachukai Mountains, Apache County, Arizona, the 10,000 pounds of Uranium eligible for discovery bonus payments was completed by November 30, 1951.

It is our belief that we were working under the mining permits issued to Sells and Nacheenbetah and that they would not be effected until new permits were issued or the new regulations became effective.

We would also appreciate knowing the effective date of such regulations, whether it is the Advisory Committee date, date of approval by Commissioner of Indian Affairs, or the date of the amendments.

Yours very truly,

CLIMAX URANIUM COMPANY

Marvin L. Kay
Vice-President & Gen. Mgr.

MLK:vm

Resources: Land
Mining Permit No. 56

Window Rock Area Office
Window Rock, Arizona

August 6, 1952

Mr. Gato Sells
Farmington, New Mexico.

Dear Sir:

Your mining permit No. 56 was officially approved on August 6, 1952 and an approved copy is enclosed herewith for your information.

Yours very truly,

M. D. Long,
Chief, Branch of Land

Enclosure 1

LAND

CHRONO

M&F

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

FILES

CAUTION!

Positively no papers to be
added to or taken from this
file, except by an employee of
the Mails and Files Division.

FILE NO.

FILE NO.

Farmington, New Mexico
October 31, 1949

Date of original Mapping Oct 25

Advisory Committee
Navajo Tribal Council
Navajo Service
Window Rock, Arizona

Gentlemen:

Under the ruling making a Navajo Indian eligible to acquire mining permits, I wish to submit this letter as my application for a permit to mine for minerals other than oil or gas (carnotite ore) on Navajo Tribal lands, Apache County, Arizona, and which according to the maps is in approx. Township 29 N. Range 21 West, Section 2: *N.M.*

Beginning at a point 121' due South of where the Redrock Beclabito Road crosses the New Mexico, Arizona State boundaries which point is between the 16th and 17th Mile Markers and which is approximately 3500' due South of the 16th mile marker; thence from point of beginning or Corner #1 the NE Corner 1800' N. 65° W. to Corner #2 the NW Corner; thence 600' due South to Corner #3 the SW corner; thence 1800' S. 65° E. to Corner #4, the SE corner; thence due North (following the New Mexico and Arizona State boundaries 600' to Corner #1 and place of beginning. *x*

This area contains 25.1 acres more or less.

Enclosed please find sketch map of area described.

Thanking you, I am,

Respectfully yours,

Orto Sells